



Daily Report

East Europe

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CONTENTS

11 July 1994

NOTICE TO READERS: All material in this volume previously disseminated in electronic form.
An Ω indicates a Foreign Media Note.

ALBANIA

Meksi Views Relations With Neighbor Countries [DANAS 28 Jun]	1
Border Officials, Greeks Meet on 7 Jul Incident [Tirana TV]	2
Ministry Protests [Tirana TV]	3
Recognition of New Communist Party Sought [DITA INFORMACION 3 Jul]	3

BULGARIA

Daskalov Returns From Warsaw, Assesses Meeting [Sofia Radio]	5
Berov Meets BSP Leaders Over Defense Bill [Sofia Radio]	5
Assembly Debates President's Prerogatives [Sofia Radio]	5

CZECH REPUBLIC

Iraqi Foreign Minister's Activities in Prague [Baghdad Radio]	6
Purpose of Visit Questioned [LIDOVE NOVINY 7 Jul]	6
Havel Interviewed on Visit [Prague Radio]	7
Joint Commission With Russia Discusses Trade [HOSPODARSKE NOVINY 7 Jul]	8
Fewer Slovaks Moving to Czech Republic [MLADA FRONTA DNES 7 Jul]	8

SLOVAKIA

Minister on Indian, Pakistani Ties, Arms Trade [Bratislava TV]	9
KDH Publishes List of Election Candidates [Bratislava Radio]	9
National Party: New Law Violates Basic Rights [Bratislava Radio]	9
Long-Term Unemployment Rate Rising [Bratislava Radio]	9

HUNGARY

Horn Interviewed About Government's Tasks [Vienna TV]	10
Bekesi Interviewed About Economic Prospects [UJ MAGYARORSZAG 8 Jul]	13
Peter Boross Comments About New Coalition [NEPSZAVA 7 Jul]	13
Coalition Consensual Program Offers Solutions [Budapest Radio]	14

POLAND

Relations, NATO, Economy After Clinton Visit [TRYBUNA 11 Jul]	15
U.S., Russian Factors Behind Clinton Trip [RZECZPOSPOLITA 8 Jul]	16
Oleky on Walesa's Comments on Clinton Visit [PAP]	16
U.S. Economic Assistance Package Noted [GAZETA WYBORCZA 8 Jul]	17
Walesa, NATO Commander Discuss 'Partnership' [PAP]	18

ROMANIA

PRC's Li Peng Arrives, Makes Statement [Bucharest Radio]	19
Iliescu Statement About Impeachment Proceedings [Bucharest Radio]	19
Cunescu: 'Extremist Parties' Blocked Impeachment [Bucharest Radio]	19
PUNR President Rejects Cluj Excavations Order [Bucharest Radio]	20
PAC Proposes Measures To Strengthen Alliance [Bucharest Radio]	20

BOSNIA-HERZEGOVINA

UN Fails To Secure Cease-Fire Extension [AFP]	21
Federation Refuses Extension [TANJUG]	21
Karadzic Interviewed About Latest Plan, Maps [VECERNJE NOVOSTI 8 Jul]	21
Ganic Comments on Talks With Akashi, McCloskey [Sarajevo Radio]	22
Report on News Conference [Sarajevo Radio]	23
Boban, Croatia's Susak Address HDZ Meeting [Mostar Radio]	23
Party Leadership Elected [Zagreb Radio]	24
Conflicting Reports on Fighting in Bihac [TANJUG]	24
Street Clashes Reported [TANJUG]	25
Abdic Forces 'Routed' [Sarajevo Radio]	25
5th Corps Simulates 'Mutiny' [HINA]	25
5th Corps Congratulated [Sarajevo Radio]	26
Surrender of 5th Corps Reported [TANJUG]	26
Abdic Linked With Serbs [Zagreb Radio]	26
'Grave' Humanitarian Situation in Bihac [Sarajevo Radio]	27
Muslims Continue Attacks on Serbs in North [TANJUG]	27

CROATIA

UN Vehicles, Personnel Halted at Ribnik Checkpoint [HINA]	28
Government Denies Supporting Refugees [Zagreb Radio]	28
Refugees: Blockade To Continue [HINA]	28
Cochairmen To Discuss Peace Plan With Tudjman [HINA]	28
Tudjman Views HDZ, Relations With Belgrade [VECERNJI LIST 1 Jul]	28
Valentic Views Slovene-Croatian Relations [DELO 24 Jun]	33
ΩHSP, SNS Break Assembly Boycott [VJESNIK 24 Jun, etc.]	37

THE FORMER YUGOSLAV REPUBLIC OF MACEDONIA

Census Deadline Expected To Be Prolonged Again [MILS-NEWS 11 Jul]	38
Government, Industrialists View State of Economy [NOVA MAKEDONIJA 8 Jul]	38

SLOVENIA

Borders Not on Agenda as Drnovsek Meets Valentic [Ljubljana Radio]	40
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YUGOSLAVIA

Federal

Kotic: National Currency Maintaining Stability [TANJUG]	41
Energy Producers Seek Assistance From State [TANJUG]	41
Lilic Receives Head of Romanian Court [Bucharest Radio]	41
JAT To Resume Flights if Sanctions Eased [TANJUG]	42

Serbia

Milosevic Holds Talks With Serbian Leaders [TANJUG]	42
Party Leader Urges Bosnian Serbs To Accept Plan [TANJUG]	42
Slovenia Accused of Product Dumping [DELO 9 Jun]	42

Montenegro

Djukanovic on FRY Interest in 'Speedy' Peace [TANJUG]	43
Lekic Comments on Contact Group's Proposal [TANJUG]	44

Kosovo

Funds for Illegal Kosovo State Run Low [TANJUG]	44
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Meksi Views Relations With Neighbor Countries

AU0807124994 Zagreb DANAS in Serbo-Croatian 28
Jun 94 pp 38-39

[Interview with Albanian Prime Minister Aleksander Meksi by Mihailo Nicota in Crans Montana, Switzerland; date not given: "Peace Is as Necessary as Bread"]

[Text] At the 5th Session of the world forum in Crans Montana, where the problems of the transition of the former socialist Eastern European and central European countries—those heavy invalids, as Czech Prime Minister Vaclav Klaus called them—were discussed, Albania was represented at a high level. Albanian Prime Minister Aleksandar Meksi, at the head of the Albanian delegation, was one of the nine prominent people who honored the gathering of politicians and businessmen with their presence. True, Albania did not present itself at the special plenary meeting, but thanks to the alphabet order of the countries that were represented by one president and eight prime ministers, the Albanian prime minister was the first to address the conference at the concluding session. Within the three days, the Albanian prime minister and his aides held several bilateral meetings outside the conference hall. As he himself says, Albania is probably one of those heavy invalids of transition, as mentioned by Klaus, who after a successful operation still have to remain hospitalized in the intensive care department. As our interviewee believes, that is good, if one knows in what a difficult condition the Albanian patient was when he was taken to the hospital.

We talked with Prime Minister Meksi, the 55-year-old civil engineer, in the luxurious and fabulous Golf hotel, after his meetings and talks with the Croatian and the Macedonian prime minister, Valentic and Crvenkovski.

[Nicota] It is well known that three years ago Albania was the poorest and most backward European country, with the hardest and strictest communist regime, closed to and isolated from the rest of the world. What has changed in the last several years?

[Meksi] After the collapse of the communist regime, everything has changed profoundly; primarily the political life and the state administration. We have introduced a multi-party system, and we are determined to establish a free market economy. In the last two or three years, everything has changed in Albania: its constitution, the judiciary, all the institutions, and a number of laws. Our main goal has been to create a favorable climate and atmosphere necessary for a rapid development of the economy, and particularly its private sector.

[Nicota] How is the process of privatization developing in Albania?

[Meksi] Privatization has been in the full swing. I can tell you that the process of the privatization of land, in terms of giving it back to its owners, has been completed, as a matter of fact. Privatization in commerce is considerably

advanced, particularly in terms of small- and medium-sized firms, while the privatization of construction firms is also doing well. Thus the style of our political and economic life has changed profoundly. Of course, we have to do a lot more, we are still far away from Albania as it should be. Yet the fact is that we are on the right path. Even now, Albania is quite different from what it used to be two or three years ago.

[Nicota] What is the current position of Albania in Europe and in the Balkans?

[Meksi] Certainly, its position is now quite different, and of course, much more favorable. Albania is a country that is fighting for and endeavoring to accomplish political stability and peace in the Balkans, which we need now as much as we need bread, that is, as a basis of economic development. Many foreign governments have given Albania credit for its positive role in the preservation of peace in our region. The results of our policy are quite visible: Fortunately enough, there is no war in our closest neighborhood, and I believe that our contribution in that respect is not minor.

[Nicota] Can you illustrate the economic development of Albania in more concrete terms, giving some examples? For instance, how high is your inflation rate?

[Meksi] It is absolutely clear now: The rapid economic development of Albania started with the establishment of a democratic system. For instance, in 1992 the inflation rate was almost 100 percent, but as early as in 1993 it dropped to 30 percent, and this year, 1994, we have planned the fall of inflation to 19 percent. In 1992, the deficit was more than 40 percent, last year it had already decreased to 11 percent, while this year we have planned only 8 percent. We also plan the growth of agricultural production by 15 percent every year, while the gross national product increased by 11 percent last year. Those are good results, but I am aware that there are still many things that we have to do.

[Nicota] How high is the unemployment rate in Albania? Is it the major reason for the enormous emigration of Albanians to foreign countries?

[Meksi] The unemployment rate is more than 15 percent at the moment, but this is not the major reason for emigration. You have to know that, for a great majority of Albanians, emigration was an unachievable dream, until recently. For that reason, as soon as they got an opportunity, many Albanians simply "stormed" the borders. Even now, a lot of Albanians are working in Greece, Italy, Germany, and other countries.

[Nicota] Albania has three neighboring countries: Greece, Macedonia [The Former Yugoslav Republic of Macedonia—FYROM] and the so-called FRY. How do you assess Albanian's relations with each of them?

[Meksi] After a long period of isolation, Albania has now opened its borders. It has also opened its policy in all directions, and it is trying to establish good relations

with all countries, in the first place with the European countries, as well as with its neighbors. However, we have also such neighbors as Greece, whose aggressive policy regarding some of our other neighbors is now apparent. Turkey, Macedonia, and Albania have many problems with Greece. Still, we do believe that, with the help of the international community, and through the establishment of a dialogue, solutions to the problems with Athens can be found, so that we can establish political and economic neighborly relations.

[Nicota] Shortly before our interview, you met with Macedonian Prime Minister Crvenkovski here, in Crans Montana. How do you assess the relationship with Macedonia?

[Meksi] We have particularly good economic relations with Macedonia. One seventh of our commercial exchange is done with this neighbor of ours.

[Nicota] Right now, the census is being conducted in Macedonia. In that neighboring country there is a large Albanian minority. How do you see its position there?

[Meksi] We are convinced that the stability of Macedonia is very important for the political stability of the entire Balkan region. Therefore we joined the initiative of the European countries regarding the recognition of that former Yugoslav republic, but under certain conditions. For instance, the living conditions and the position of ethnic Albanians in Macedonia, as well as their national rights, must be arranged in agreement with all international documents. We also think that the Constitution must reflect the fact that the ethnic Albanians are a constituent part of that country. The census that is underway right now will reveal a clear and reliable number of ethnic Albanians in Macedonia, which will hopefully help the Macedonian authorities to correct their attitude toward them. Or to put it more precisely, we hope that the Macedonian government will provide better conditions for the education of ethnic Albanians, for the development of their mass media, and that it will also enable them to take a greater part in the political life of Macedonia, in the police and the army.

[Nicota] Finally, how do you assess the Albania's relations with the FRY, that is, with Serbia and Montenegro?

[Meksi] Relations with Serbia are quite bad and tense, in the first place because Serbia has introduced a regime of terror, that is, a military regime to Kosovo, where ethnic Albanians make up 90 percent of the entire population. This is a consequence of its aggressive policy, the goal of which is the creation of a greater Serbia. This goal may cause trouble in the entire Balkan region. Yet, we want to underline that we distinguish between Montenegro and Serbia. We know that the Montenegrins are victims of the policy of greater Serbia. We have some contacts with the Montenegrin Government, we would like to establish economic relations, but, for the time being, it is impossible in view of the international sanctions against that country.

[Nicota] Do you still think there is a serious danger of the Bosnian war spreading to the south?

[Meksi] The danger of the war spreading still exists, in view of the aggressive Serbian policy and the desire that a greater Serbia be established. I believe that all the world powers are strong enough, and that they will be resolute enough to prevent the spread of the war, which might spread to Kosovo as well as to Macedonia. However, the danger still exists.

[Nicota] How do you see the future of Kosovo? As an independent state, or within the boundaries of Serbia and Yugoslavia with greater autonomy?

[Meksi] We disapprove of changing borders by force. We appreciate the Helsinki Charter, but we still think that the Serbian aggressive force must be halted. However, we also believe that the Serbian military regime in Kosovo must be terminated by starting a dialogue between the two sides, Serbian and ethnic Albanian, in the presence of a third party, say the European Union. That dialogue is necessary for the establishment of a demilitarized Kosovo that would have all possibilities for development, and where the right of the ethnic Albanians to decide on their future would be observed.

[Nicota] You have already met here with Croatian Prime Minister Nikica Valentic. What did you talk about, and how do you see the relations between Croatia and Albania?

[Meksi] The relations between Albania and Croatia are developing very well, there are no problems between the two countries. I believe that we can also develop relations on the political, cultural, and particularly economic planes. There are many favorable conditions for those relations to develop. In our talks here, we have agreed to meet again in Tirana and in Zagreb so that we can create even more favorable conditions for the expansion of economic relations.

[Nicota] Have you agreed on or outlined any concrete plans?

[Meksi] We still do not have any concrete plans on cooperation. We believe it is the task of Albanian and Croatian businessmen to draft such concrete plans, because the Albanian economy is now almost entirely in private ownership. The only duty of our two governments is to create a favorable climate for cooperation.

Border Officials, Greeks Meet on 7 Jul Incident

AU0907204294 Tirana TVSH Television Network in Albanian 1800 GMT 9 Jul 94

[Text] The Public Order Ministry spokesman reports that upon the request of the Greek side, representatives of Albanian and Greek border bodies met at the border-crossing point of Kakavije on 8 July 1994.

At this meeting, the Greek delegation announced that at 2030 [1830 GMT] on 7 July 1994, at about 50 meters

deep into the Greek territory, near Pyramid 24, a Greek soldier was wounded by the Albanian border patrol with a firearm.

The Albanian side asked for facts and evidence on this, but the Greek side did not present such, except for an automatic rifle damaged by a shell.

In its explanation, the Albanian side presented facts and evidence that the Albanian patrol of the Peshkepi-Gjirokaster border post, while performing its duty at about 800 meters inside Albanian territory, in the direction of Pyramid 21, faced a patrol of two armed military who responded to the call of the Albanian patrol to halt by firing at a distance of 70 meters. Under these circumstances, the Albanian patrol opened fire in self-defense. Continuing the fire, the Greek military left in the direction of the Greek territory.

From the verification of the scene of the incident, the Albanian experts' team found bloodstains which, from the place of the incident at about 800 meters inside Albanian territory, continued regularly toward the state border and deep into the Greek territory near Pyramid 24.

Considering the fact that there were contrary assessments of the same border incident, the Albanian side stated that in order to have understanding and good cooperation on the border, experts from both sides should come to the same conclusion about this incident and illuminate the truth by facts and evidence.

For this, the Greek side was several times invited to examine the scene of the incident both in Albanian and Greek territories and, through facts and material evidence found at the place of incident, a common final judgment be given.

For its part, the Greek side did not accept this proposal that was repeated several times, considering its own judgment as sufficient.

The Albanian side pointed out to the Greek side that within the last 48 hours, Greek border patrols have crossed the state border four times and have entered deep into Albanian territory, and that such acts are dangerous and with unpredictable consequences. It demanded from the Greek side to take all the necessary measures so that Greek border patrols rigorously respect the line of the inter-state border.

The Greek delegation chairman said that the border line is not well maintained and cannot be well seen, and that it is necessary to repair it, proposing another agreement between the competent official bodies for this aim.

For his part, the Albanian delegate welcomed this proposal and stated that the Albanian side has always shown interest and has several times proposed such a thing.

The Public Order Ministry spokesman stressed that the stance maintained by the Greek side at this meeting regarding the Albanian request to examine the scene of

the incident on both sides of the border leaves room to think that the Greek side opposes the correctness shown by the Albanian competent authorities with a lack of sincerity and will to cooperate so as to find out the truth about the latest incident. The pictures and the film on the scene of the incident, the material evidence, and other testimony by eyewitnesses confirmed the fact that the incident occurred about 800 meters inside Albanian territory.

Ministry Protests

AU0907205594 Tirana TVSH Television Network in Albanian 1800 GMT 9 Jul 94

[Text] In its statement, after presenting some evidence and facts about the situation and the meeting that was held, the Foreign Ministry of the Republic of Albania gives its own comment and maintains its position.

The spokesman of the Albanian Foreign Ministry is authorized to declare that the fact that the Albanian side has offered data to the Greek side and the latter has given nothing, that when it was proposed that the Greek side investigation on both sides of border to throw light on the truth, it did not accept it, and the repetition of violation of the Albanian territory by Greek soldiers in four cases within 48 hours, without mentioning the previous cases, speak of a Greek position that does not serve to the normalization of relations between both countries and the general situation in the region, but incites tension.

This stance by the Greek side speaks for lack of sincerity of the Greek statements on relations of good neighborliness, friendship between both countries, as well as the cooperation of both sides to resolve issues. The lack of will on Greece's part to carry out investigations on both sides of border implies that it seeks to hide the truth.

It is also strange as well as an a priori and hasty judgment by the Greek side that while representatives from the border authorities of both countries were discussing the incident, the Greek Embassy in Tirana, without waiting for the conclusions of this meeting, attempted to protest to the Foreign Ministry of Albania.

Proceeding from the incident of 7 July 1994, we request that in judging such incidents, the Greek side maintain a constructive stance with relevant Albanian authorities and take all the necessary measures that such incidents do not occur in the future.

Recognition of New Communist Party Sought

AU1107111294 Tirana DITA INFORMACION in Albanian 3 Jul 94 pp 1, 3

[Apollon Bace article: "Anonymous Communists Ask for Recognition of the Albanian Communist Party. A New 'Spark' of the Albanian Communists"]

[Text] The name of the newest newspaper SHKEND-JA—Iskra in Russian [Spark]—like the name of its

forerunner, ZERI I SE VERTETES—Pravda in Russian [Truth]—has been fished out of the repertoire of Russian revolutionary newspapers. Both ZERI I SE VERTETES, which has been banned, and SHKENDIJA are communist newspapers. That was clear from the fourth issue of SHKENDIJA, where the appeal "Nobody can deny the communists the right to have their own party" is published. The authors stand behind half illegality. They say: "You can find our names in the Justice Ministry as signatories of our request for recognition of the Communist Party." The signature at the bottom is collective: "A group of initiators of the Communist Party and former members of the Organizing Committee of the Communist Party." They belong to the most long-lived Albanian party, if you take the 50 years of dictatorship, or the most short-lived, if you take the period of pluralism. The life of the PKSH [Albanian Communist Party] lasted from 9 November 1991 to 16 July 1992. That is one week longer than babies need to be born: nine months and one week. The above-mentioned initiators sent the aforementioned appeal to ZERI I POPULIT and KOMBI, but it was not able to see the light of publication. The direct accusations against the Socialists that the PSSH [Socialist Party of Albania] is a descendant of the PPSH [former Party of Labor of Albania] make the Socialists distance themselves from the Communists.

What are the Communist Party's claims to legitimacy? The pluralistic state should respect democratic freedoms, meaning that notwithstanding the fact that those freedoms were not honored before, you do not have any right not to respect them now. By our legal activities, we have given no reason to be denied our existence. We are a party of the working masses, resolute defenders of our

country's national sovereignty, of democratic principles, links with other parties fighting for and so on and so forth—a twin program this with the microprogram of the PPSH.

The appeal reads: "Selami [chairman of the Democratic Party of Albania—PDSH] called the outlawing of the PKSH a great victory for the PDSH." Is it really a victory for the PDSH to have outlawed a discredited party, which willingly took upon itself all the good things, but first and foremost the sufferings of the past system? Yes, certainly it is. However, it is not a victory over the PKSH, which morally displaced the PSSH from this extreme angle, giving it the right to declare: "We are not the former Party of Labor, we are socialists; it is the communists of the Communist Party who are the Party of Labor." Within the PSSH, it gave its chairmanship the right to tell the extremists: "Go to the PKSH!" With the outlawing of the PKSH, the PSSH gained all the shades of the left-wing spectrum, from infrared to orange at the center. This avoids all points of contact with other parties, even the PDSH. The maxim for the Socialists is: "Opponents but brothers." As a consequence, with the banning of the Communist Party, the PSSH was stripped of the basket where extreme elements could coalesce. The PDSH, on the other hand, was deserted by the PDD, the Right Wing Democratic Party, which move to the right. However, in the elections, the supporters of the extreme left who felt personal animosity toward communism, former political prisoners, former owners—first class agitators, especially in the towns—were alienated from the PDSH. Did the PDSH gain or lose by the banning of the PKSH? It all depends on the angle from which you look at it.

Daskalov Returns From Warsaw, Assesses Meeting

*AU0807132394 Sofia Khorizont Radio Network
in Bulgarian 0900 GMT 8 Jul 94*

[Text] On 8 July Foreign Minister Stanislav Daskalov returned from Warsaw, where he had taken part in the meeting of President Bill Clinton and State Secretary Warren Christopher with the top diplomats of nine central and Eastern European countries. According to Minister Daskalov, the basic result of the meeting was the fact that the United States confirmed its commitment to the process of reform in central and Eastern Europe in all aspects—security, investments, and so forth.

Special attention at the Warsaw conference was devoted to regional cooperation. The initiative on a future specialized conference in the United States on issues of trade and investments in central and East Europe was confirmed. Our reporter Vanya Manolova asked Minister Daskalov whether he posed in Warsaw the issue of the Yugoembargo and the related Bulgarian losses.

[Begin Daskalov recording] If I had not posed the question you would have fired me, thus I had no choice but to pose it. Naturally, when I spoke on issues of security, trade, and investments, I also raised the issue of the embargo and the necessity of directly compensating the states, including Bulgaria. I also devoted special attention to the infrastructure projects. Incidentally, all countries raised this issue, and it appears to be a common problem of the region. Obviously, building a modern infrastructure is an issue of special importance for the integration of the central and East European countries in the European system. That includes transportation, telecommunications, and so forth. [end recording]

Berov Meets BSP Leaders Over Defense Bill

*AU0807171494 Sofia Khorizont Radio Network in
Bulgarian 1600 GMT 8 Jul 94*

[Text] On 8 July at his initiative, Prime Minister Berov met Zhan Videnov and Krasimir Premyanov over the defense bill.

After the meeting the prime minister expressed the opinion that it is specific interests rather than principles that are at the root of the quarrel over the Army command that erupted between the minister of defense and the chief of the General Staff.

For his part Krasimir Premyanov said that the talk revolved around the matter of whether the defense issues should be regulated by law or by hasty actions, without having a doctrine on national security.

Assembly Debates President's Prerogatives

*AU0807192794 Sofia Khorizont Radio Network in
Bulgarian 1600 GMT 8 Jul 94*

[Text] Instead of dealing, as is normal on Friday, with issues of parliamentary control, the 8 July National Assembly session was devoted to regular legislating activity. The Vienna Convention on Civil Liability for Nuclear Damage, i.e., accidents in nuclear power plants, was ratified at first reading. According to the opinion of experts, joining this convention will open the road to new possibilities for the Bulgarian power supply system, and foreign investments in this system.

The fourth part of the trade bill, dealing with insolvency, was almost fully adopted, except several articles, whose adoption was postponed.

The second reading of the defense and armed forces bill continued. Voting on the articles dealing with the prerogatives of the president as commander in chief was postponed. A dispute developed around the paragraph that confirms that the president heads the National Intelligence Service and the National Protection Service.

Iraqi Foreign Minister's Activities in Prague

JN0807120094 Baghdad Republic of Iraq Radio
Network in Arabic 1030 GMT 8 Jul 94

[Text] Foreign Minister Muhammad Sa'id al-Sahhaf yesterday met in Prague with Ivan Kocarnik, the Czech deputy prime minister and finance minister. The foreign minister discussed the prospects for bilateral ties and the means to improve them within the framework of the mutual interests of the two friendly countries and peoples. He also discussed the role that the barter agreement, signed the day before yesterday, will play to establish commercial and trade ties.

Muhammad Sa'id al-Sahhaf explained in detail the relationship between Iraq and the UN Security Council and Iraq's fulfillment of all of its obligations in accordance with the UN Security Council resolutions. He urged the Czech friends, in their capacity as UN Security Council members, to work on ensuring that the council fulfills its obligations toward Iraq and ends the unjust blockade imposed against it.

Ivan Kocarnik, Czech deputy prime minister and finance minister, voiced his country's conviction in the importance of relations between Iraq and the Czech Republic. He also praised the work done so far between the two countries, which has resulted in the signing of the barter agreement. He said he hopes the UN Security Council will issue a resolution to lift the blockade imposed on Iraq.

Foreign Minister Muhammad Sa'id al-Sahhaf held a news conference yesterday, attended by a large number of newspaper, television, and radio correspondents, as well as correspondents from the Czech news agency.

During the conference, the minister detailed the objectives of his current visit to Prague and its positive results, represented in the signing of the barter agreement and the agreement on economic and trade exchange between the two countries. He also discussed the recent developments in relations between Iraq and the UN Security Council, as well as the council's obligations as stipulated by the UN Security Council resolutions.

Muhammad Sa'id al-Sahhaf had earlier met with the heads of the Arab diplomatic missions in Prague. He briefed them on the objectives of the visit and its positive results. The minister explained the latest developments in the relationship between Iraq and the UN Security Council and Iraq's cooperation with the Special Commission and the implementation of all of its obligations. Thus, he said, the UN Security Council should fulfill its obligations and lift the unjust and illegitimate blockade imposed on Iraq.

Purpose of Visit Questioned

AU0807132794 Prague LIDOVE NOVINY in Czech
7 Jul 94 p 5

[Commentary by Jaroslav Veis: "What the Purpose of This Visit Is..."]

[Text] While the overwhelming majority of the Czech Republic's citizens were coming to terms with the wiles of the oppressively hot weather and the unusually divided up week, another guest whose visit provoked mixed feelings arrived in our country. He was the Iraqi foreign minister, who is going round, one after the other, the capital cities of the UN Security Council member countries (after the Prague visit, he had been everywhere apart from Washington) in an attempt to improve what can be improved in Iraq's reputation. This is not easy. Saddam Husayn has done everything in his power to ensure that, for the majority of the world's population, Iraq is a symbol of brutality, authoritarian expansionism, and potential nuclear threat.

Iraq has mainly economic reasons for this itinerancy—the sanctions imposed against it by the United Nations. Leniency from the Czech representative, albeit a nonpermanent one, in the Security Council would undoubtedly be desirable during the negotiations on removing them. Obviously, this would not be free; perhaps Iraq would be willing to consider repaying its debt, amounting to \$0.5 billion, to our country. In other words, the Czech Republic, too, has economic reasons for receiving this visitor.

Consequently, it would seem that this was a routine diplomatic engagement with an economic background—albeit not too proper—the feeble excuse being that the majority of diplomatic engagements are like this. However:

"...I found out about it (the visit) quite by chance and unofficially before my departure for the United States," says President Vaclav Havel to Czech Radio editor Marika Taborska. "So, I immediately asked Minister Zieleniec what the purpose of this visit was. I was assured that this visit will change absolutely nothing in the Czech Republic's firm stance as a nonpermanent member of the Security Council in the issue of the sanctions against Iraq.... This was also the subject of a letter I received from President Clinton; therefore, I replied to him in our telephone conversation... I expressed certain doubts about the propriety of this visit and about its purpose, but I will be able to assess it when I find out what all the contents of this visit actually were."

Only a really talented clod could manage to synchronize President Havel's visit to the United States with the visit to Prague of the foreign minister of its arch enemy—that is, if he cared about the president's opinion. Moreover, it is feasible to express a firm stance much more convincingly by refusing to discuss it. It is, of course, possible that the foreign ministers agreed on something significant—for example, perhaps Minister Zieleniec (while maintaining his firm stance) came up with an initiative that would radically alter Iraqi foreign policy, create a new basis for negotiation, and Iraq would repay its debt in cheap oil. However, it is indeed impossible to make an assessment until we find out "what all the contents of this visit actually were." Let us hope we do not find out by chance and unofficially.

President Havel's commentary on the visit, however, does not only testify to the diplomatic awkwardness. A great deal has already been said about relations between the Castle and the government, which are—strange. On this occasion, it is hard not to recall the visit by Salman Rushdie last September. For a change, Prime Minister Klaus found out about this only by chance.

Let us hope that what has happened now is not merely an attempt to settle the score. That would be base and undiplomatic, just like a family quarrel at a social event—its victims are mostly those who are not involved in the quarrel. Of course, the idea that there is nothing personal in this and that the reason for the tumult is simply the fact that the president is not worth being told such things is not, to those not involved in the quarrel and who are just voters, any more pleasant.

Havel Interviewed on Visit

LD1007150794 Prague Radiozurnal Radio Network
in Czech 1215 GMT 10 Jul 94

[Interview with President Vaclav Havel by correspondent Eva Hulkova at the Lany Presidential Palace for the "Conversations at Lany" program; date not given—live or recorded]

[Excerpts] [Presenter] As you well know, we traditionally suspend our series, *Conversations at Lany* at the beginning of a summer lull on our political and social scene. That means that today's *Conversations* will be the last ones for some time. [passage omitted] Today Eva Hulkova interviews Vaclav Havel, president of the Czech Republic. [passage omitted]

[Hulkova] In the United States, you made a statement fundamentally opposing lifting the embargo against Bosnia. I would like to know whether that has caused any conflict between you and politicians in the United States, as rather different voices have been heard from the United States lately.

[Havel] First, of course it is not true that I took a stance fundamentally opposing lifting the embargo. It is not clear to me why newspaper headlines rendered it in this way. At a news conference, I said I had always been in favor of vigorous participation of the international community in the events in Bosnia-Herzegovina. However, I was not sure whether lifting the embargo was the best way. This was how I put it and not any other way. Naturally, I cannot accept any responsibility for those headlines.

I can explain why I have doubts whether lifting the embargo is the best way. I perceive it as shifting responsibility. As long as one year ago, I explained this to President Clinton when he asked me about this issue.

It seems as if the international community is not willing to get involved in a more pronounced and vigorous way in eliminating this conflict, as if it is shifting responsibility somewhere else, as if it is calming its conscience

simply by allowing those under attack or under threat by heavy military equipment to import penknives. We cannot even be sure those penknives will reach them, can we? This is based on the idea that, if they want a brawl, let them have a brawl; we are not going to put the fire down and, instead, shall allow the fire to spread and rage; let them kill each other.

This is the reason for my doubts. I am not fundamentally opposed to lifting the embargo. I simply have doubts whether this is not a somewhat easy way out. Lifting the embargo means at the same time withdrawing UNPROFOR [UN Protection Force] forces from Bosnia-Herzegovina, withdrawing the international community from that space, allowing arms to flow freely there, and awaiting who will murder who, down to the last man. I admit I have doubts about this. This is all. It is not true that I have condemned it publicly.

As far as the stance by the U.S. Administration is concerned, they have not decided on this issue yet. It is true that Congress voted in favor of recommending to the president that the United States declare unilaterally to lift the embargo—because this will not be passed by the Security Council. Thus, this would not be a decision by the international community; it would be a unilateral action by the United States. I strongly doubt that the current U.S. Administration will go along with this recommendation and take any action against the will of the Security Council. [passage omitted]

[Hulkova] It seems to me that Iraqi Foreign Minister [Kazim] al-Sahhah's visit is an example of a situation when certain internal imperfections of our domestic political scene become visible. These are instances when relations between the president and the Foreign Ministry are not quite smooth. This is not the only instance of such imperfection.

[Havel] The Foreign Ministry does not brief me on all visits of all ministers. It would not be sensible for the ministry to do so or to consult me on everything. It really is not necessary.

This, however, was a somewhat different matter. I received a two-page letter from President Clinton last week in which he explained the U.S. stance in the Security Council and said why it was necessary to continue sanctions against Iraq. To some extent, that letter could have been understood as an appeal for the Czech Republic to also share that stringent stance because Iraq really has not met all of the conditions stipulated by the UN Security Council's resolutions. It can be expected that, in our talks with President Clinton, this issue will be raised.

In this particular case, it would have been more appropriate if I had been briefed on this visit and the objective, the reason, the agenda of this visit had been explained to me. The ministry apparently forgot to do so. I do not want to overestimate this fact or to attach to it any dark intentions. Later, it was explained to me as a matter of forgetting, when I learned about this visit at the last

minute. When I asked about the visit, the situation was explained to me. At the same time, I have been assured that there is no change in the Czech Republic's firm stance in the Security Council.

As for the visit and its agenda, I would like to refrain from any comments because I have not yet spoken with the relevant negotiators from our side. I shall only be able to comment further on the matter once I have heard details from them.

[Hulkova] Still, the Polish daily GAZETA WYBORCZA wrote that the style of this visit calls for suspicion and gives an unfavorable impression. Was the style of the visit so unusual?

[Havel] This was a working visit that apparently was not meant to attract any large publicity. That, at least, is how I came to understand the plans for the visit. Well, I am not sure, but I think it is not possible to keep such a visit secret. We either acknowledge it or we do not accept it. It is not possible to both half accept and half disavow it. [passage omitted]

[Hulkova] President, the summer is at its best. When do you intend to take some rest? How long are you going to work?

[Havel] I am still going to be in Prague next week because we will be honored by the visit of Egyptian President Mubarak. After that, we are planning to go for a holiday. We will travel to Slovenia. We will spend part of our three-week stay there at the seaside and part of it in the mountains. I am already looking forward to it. [passage omitted]

Joint Commission With Russia Discusses Trade

AU0807173794 Prague HOSPODARSKE NOVINY in Czech 7 Jul 94 p 3

[Article by "(sto)": "The Czech-Russian Commission on Future Cooperation"]

[Text] Prague—The first meeting between Deputy Prime Ministers Ivan Kocarnik and Yuriy Yarov, chairmen of the Russian and Czech part of the intergovernmental commission for commercial-economic and scientific-technical cooperation between the Czech Republic and the Russian Federation, took place in Prague on 4 and 5 July in Prague. After the talks, they signed the statute of the commission, whose activity will be primarily oriented toward the commercial-economic and capital-financing spheres. A regular meeting of the commission will take place in Moscow in the fourth quarter.

The removal of obstacles in mutual trade was one of the dominant issues during the meeting in Prague. The minutes from the meeting task the responsible authorities in both countries immediately to start talks on the recognition by the Russian market of the certificates issued by our firms for Western markets. The Russian Federation delegation handed the Czech partners a draft treaty on the prevention of double taxation. Protocols on crude oil and gas deliveries were initialed. In connection with drafting a specific mechanism of the repayment of the Russian debt to the Czech Republic, the Russian side provided information that, probably as early as in July, the legislative basis for the capitalization of the debt will be created by a presidential decree in the Russian Federation. The Czech and the Slovak sides will agree on the way of dividing the sum of \$385 million of claims by enterprises.

[Prague MLADA FRONTA DNES in Czech on page 2 on 7 July in a 200-word report provides the following information: "In addition, the Russian state owes \$1.8 billion to the Czech Republic, which is a loan provided to Russia by Ladislav Adamec's government."]

Fewer Slovaks Moving to Czech Republic

AU0807145094 Prague MLADA FRONTA DNES in Czech 7 Jul 94 p 2

[Article by "zv": "The Influx of Slovaks Is Constantly Decreasing"]

[Text] After the extreme situation the year before last, when almost 12,000 Slovaks moved into the Czech Republic after the split of the federation, their number declined to a mere 7,200 last year. This means that migration from one country to the other, and vice versa, has become almost equal.

In the 1950's, the number of people moving from Slovakia to the Czech Republic was 5,000 a year higher than the number of people moving from the Czech Republic to Slovakia, but this difference was only about 50 in Slovakia's favor last year. The number of people who receive permanent residence in the Czech Republic every year is still 5,000 higher than the number of people permanently leaving the country. Their number has stabilized at 7,300 over the past three years, and 97 percent of them are leaving precisely for Slovakia. Since the census in the spring of 1991, the number of residents has increased by slightly less than 32,000 and reached 10,334,000 at the end of last year.

Minister on Indian, Pakistani Ties, Arms Trade

*LD0807215694 Bratislava STV 1 Television Network
in Slovak 2025 GMT 8 Jul 94*

[Interview with Defense Minister Pavo! Kanis by unidentified report; place and date not given—recorded]

[Text] Some time ago, the Indian side observed that the increase in Slovak exports of arms technology to Pakistan could affect Indian-Slovak relations. How far did you progress on these issues during your visit to India?

[Kanis] The Indian standpoint is natural because, if there is a dispute or even a conflict between two countries, they do not like one state to supply weapons to both parties involved in the conflict. In talks with Mallikarjun, Indian minister of state for defense, we continued the discussion that started in the Slovak armaments factories in Dubnica and Martin. The outlook for contracts, supplying disengagement tanks [vyprostovacie] and other similar specialized trucks, is promising.

It seems that the success in weapon sales is based on the success of foreign policy. That is why the Slovak Republic, having good, traditional relations with India, will be able to manage the current complicated situation in relations with Pakistan and India.

KDH Publishes List of Election Candidates

*LD0907203794 Bratislava Rozhlasova Stanica
Slovensko Network in Slovak 1630 GMT 9 Jul 94*

[Excerpts] The Central Council of the Christian Democratic Movement [KDH] met in Bratislava today. On the agenda were two important issues: approval of the list of candidates for KDH deputies to the Slovak National Council and approval of the election manifesto. Members of the council also discussed the current domestic political situation and the results of the work of government members from the KDH. Editor Otto Goerner asked Christian Democratic Movement Chairman Jan Carnogursky about the Central Council session's conclusion.

[Begin recording] [Carnogursky] Today's KDH council session approved the list of KDH candidates for the parliamentary elections. I will name some of the candidates. The KDH election leaders will be Ivan Simko in the Bratislava electoral district and Ladislav Pittner in the Central Slovakia district, with Culture Minister Lubo Roman in second place. In Eastern Slovakia, in first place is Mikulas Dzurinda and in second place Frantisek Miklosko. In Western Slovakia are Julius Brocka and I.

I will also name some of the other candidates—for example, in Bratislava, Alojz Rakus, former minister of health, in 13th place Martin Porubjak, former chairman of

the Civic Democratic Union, Peter Kresanek, the current mayor of Bratislava, running as an independent candidate; in Western Slovakia, Anton Vavro, former deputy prime minister for the economy, and Filip Vagac, former chairman of the Youth Council of Slovakia; in Eastern Slovakia, Frantisek Javorsky, one of our deputies, Jan Langos, spokesman for the Permanent Conference, Milan Sutovec, and so on and so forth. [passage omitted]

[Goerner] When will the Christian Democratic Movement begin its election campaign?

[Carnogursky] In essence, our election campaign is already under way, as is the case with other parties, but the official beginning of our election campaign is scheduled for 3 September of this year in Zilina [western Slovakia], with the staging of a KDH-Day. [end recording]

[Announcer] [passage omitted]

National Party: New Law Violates Basic Rights

*LD0807154294 Bratislava Rozhlasova Stanica
Slovensko Network in Slovak 1500 GMT 8 Jul 94*

[Text] The Slovak National Party [SNS] considers the adoption of the so-called road sign law as a violation of the basic rights of the Slovak nation. Eva Slavkova, deputy chairwoman of the party, said at a news conference in Bratislava today that the SNS deputies would initiate an amendment to this law so it would be among the first few to be discussed by parliament after the elections.

Long-Term Unemployment Rate Rising

*LD1007171694 Bratislava Rozhlasova Stanica
Slovensko Network in Slovak 1630 GMT 10 Jul 94*

[Text] Long-term unemployment is among the most serious risk factors of the economic development of the Slovak Republic. According to information provided by the Ministry of Labor, Social Affairs, and Family, at the end of the first quarter, up to 39.2 percent of all registered job seekers were unemployed for more than one year. At the same time, the percentage of job seekers provided for by labor exchanges has fallen. However, this has resulted in an increase in the number of citizens dependent on social benefits.

Let us look at specific figures: While in 1991 almost 74 percent of job seekers received their benefits from labor exchanges, last year this figure was only about 35 percent, and, in May of this year, 77,668 citizens were on unemployment benefit—that is, only 22 percent of the overall 354,000 job seekers. At the same time, more and more unemployed people are receiving social benefit from social affairs departments.

Horn Interviewed About Government's Tasks

AU0807171694 Vienna ORF Television Network in German 2043 GMT 7 Jul 94

[Interview with Hungarian Prime Minister-designate Gyula Horn by Paul Lendvai in Budapest; date not given—recorded; Horn speaks in Hungarian with super-imposed German translation]

[Excerpt] [passage omitted]

[Lendvai] What is going to happen now? Now you have not just associates, or ministers, or colleagues in your own party, but you must, you want to cooperate with another party. The liberals are not well known for being very disciplined or tight-lipped. Many of your partners are quite the contrary. They write many books and articles and do not always use short formulations. How is such cooperation going to work with your partner?

[Horn] Well, I must say that the coalition ministers and leading personalities nominated by the other party are practical workers. In our party, too, there are such members, who deal thoroughly with theory, and I have always supported that. However, I have said that this must be kept away from day-to-day politics. Let us not mix these things up. I did not want to get a completely new structure of government work by coincidence.

I understand it as follows: There is to be an economic cabinet of this government, which discusses the issues and comes to decisions, so that the government is not burdened with that. There is to be a government cabinet, which is to make the most urgent decisions so that the government is not burdened with these decisions, so that the things that happened, unfortunately, also with the previous government—that is, the predecessor of the current government—in Germany will not happen, namely that government work is drowned in the discussion of facts and analyses, because with that one cannot come to any decisions. One may present only well-founded and specific motions for resolutions at the government sessions, so that there is no opportunity for philosophical discussions there. In the future government there will not be any opportunity for that—thank God, if I may say so.

[Lendvai] This coalition agreement has 145 pages. I told this to a leading Austrian politician. He said: That is very smart, because no one is going to read 145 pages. It is too much.

Will this government last four years? What will happen if you do not agree, either the liberals or you? Can you dissolve the coalition?

[Horn] What I am concerned about at the moment is not the coalition agreement, but the basis on which the government program is formulated. Unfortunately, the government program will be even more comprehensive. It will have almost 200 pages. Quite certainly, not everyone—hardly anyone, actually—will read these 200 pages. At the same time, however, it is certain that the

experts or the representatives of a certain field will read the passages that apply to them. Those working in the health sector, for instance, will read what the government intends to do in the interest of the health sector. And if sports or economic policy or foreign policy are left out, those will cry out who work in these fields. Next week one could submit to Parliament a program that contains only basic principles. However, we have accepted a pragmatic way of conducting government, and this program expresses this pragmatism.

[Lendvai] What will you change about the so-called economic reform course, the reform policy of the former government? What are you, in brief, going to change in substance, in essence, in nature, from the Antall and the Boross governments?

[Horn] First, a reform of the state budget. In 1994 the budget reform must be tackled, because the state's interference in the economy is enormous. The government has an enormous number of instruments. This must be radically changed, for the benefit of the civilian spheres, self-administrations, and various members of society. And this is a terribly difficult task. It affects everyone, beginning with the trade unions.

Second, there is a financial heritage, a heritage of financial obligations. Even today, at the beginning of July we do not yet know what this current government or its predecessor has accepted.

[Lendvai] You mean the debts?

[Horn] Not only foreign debts. They have increased further, but this is a different matter. I mean domestic debts. These domestic debts are dreadful. Within four years the state debts have almost tripled, and the budget deficit has risen several hundred-fold compared with 1990. Part of the budget deficit cannot be covered by domestic sources, or only through extremely radical savings, cutbacks in expenditure. I could give you a longer list of similar things.

[Lendvai] One question: You have an austerity policy, you must reduce expenditure. How can you then give the people something, the poorest of whom expect at least some improvement of their position, their living conditions? Pension increases...

[Horn, interrupting] For any major economic measure, which affects the tax system or any other field, the program contains the regulation that compensation for the needy strata must be granted.

[Lendvai] Where are you going to get the money from?

[Horn] Forgive me, but in particular for this there are budgetary possibilities. For instance, it must be ensured that pensions are raised in harmony with nominal wages. And the sources for that will be established. The country is not so badly off.

The other element is that an enormous amount of such expenditure can be saved, for instance, in the area of today's state administration.

[Lendvai] For instance armaments?

[Horn] I beg your pardon?

[Lendvai] Armament expenditure.

[Horn] Armament expenditure must not increase but can be reduced. However, I must add—since we are talking of this—that, first of all, the financial situation of professional soldiers must be improved, because their situation is disastrous. However, this must be done exclusively through internal rationalization and not from budget sources.

[Lendvai] What about administration?

[Horn] Administration: It is surprising what a large number of organizations have been founded over the past four years. They must be reduced. Even though people working in the public sector usually get low salaries and have a low income, here, too, savings can be effected by, for instance, abolishing offices, etc.

[Lendvai] A political question: It is said that in your party, which suddenly won an absolute majority—34 percent of the votes in the first ballot—is actually not a cohesive party. In this party there are various movements.

[Horn] Our party is a pluralistic party and this is good. There are various movements, but we agree on the basic issues. As regards the trade unions, if we are not able within the next two to three months to come to an agreement with them, there will be no social peace in Hungary, and then the government, too, will not get support.

[Lendvai] You were the first one in Hungary and in Eastern Europe.... In February 1990 you suggested that Hungary should join NATO. At that time you put it more precisely: Hungary should join the political organization of NATO. How do you now see Hungary's prospects regarding the European Union [EU] and NATO?

[Horn] As to NATO, I do not see any chance at all for the time being. Partnership for Peace is a compromise solution. It provides the opportunity to make relations closer. However, NATO will have to decide—and this decision will probably be made several years in the future—how much closer it will be able to make relations with us and with the other countries in this region.

I understand the Western members of the NATO command staff, if they think that in deciding this question the Soviet factor plays an essential role.

As to the EU, it is a different matter. We have a request to make on the EU. Actually, we have several requests,

but the most essential request is: Sometimes we are confronted with a very tough, protectionist attitude. This is one thing.

Second, we ask for the date for membership negotiations to be set definitely, that is, for the negotiations to become a full member. If there were already a set date, this would have much influence on the behavior of foreign investors.

Third, the net capital drain from Hungary to Western Europe is very high. This would have to be changed in some way. And I would very much like to achieve that.

Finally, regarding the question of EU membership, eastern central Europe or the four Visegrad countries should not be treated as a bloc, but the level should be accepted that we achieve in creating the preconditions for membership.

[Lendvai] You have just formulated it diplomatically. Your colleague in Prague, Vaclav Klaus, puts it rather more brutally. You want to be treated as Hungarians and not as the Visegrad group or a central European group, together with others. You want to negotiate with the EU about Hungary and not negotiate together with the Poles, Slovaks, and Czechs.

[Horn] Forgive me, but it is not my business what happens in Slovakia. That is the business of the Slovaks. Why do we have to orient ourselves toward the fact that there the market economy has not been built at an appropriate speed, that the preconditions have not been created? Why should Hungary wait? Poland is in a different situation, too, just as is the Czech Republic. Here we need a differentiated approach.

[Lendvai] That means, in reality, you want a differentiated policy. You do not expect very much of the concept of central Europe. You prefer to look toward Western Europe.

[Horn] You see, I think it is rather a formal matter, and I do not attribute too much importance to central Europe. If, on the other hand, Hungary or the Czech Republic were to be the first country to be accepted into the EU, this would also have a stimulating and inspiring effect. Thus, I do not fear that this would result in great differences between us. On the contrary, it would have rather positive effects on the other countries and also on Romania or Bulgaria.

[Lendvai] In Poland there are loud reservations, fears, anxiety because of the situation in the former Soviet Union, in Ukraine, etc. To what extent do you see Hungary's security endangered by this development in the former Soviet Union and in the neighborhood?

[Horn] Look, in Ukraine and even in Russia anything or the opposite can happen. It is unpredictable. There can be civil war there, border conflicts, the most different separatist efforts, efforts to gain independence from Moscow, and many other things. However, I see the greatest tragedy not in this or at least not directly in this.

I see the main problem in two facts: First, in Russia real economic reforms and change have not started. This is one thing. Second, things are becoming increasingly uncontrollable, and this affects not only arms control but also public order, public security, the economy, the functioning of the entire state. These are the two key questions. If the Russian leadership does not manage to make progress in these fields, then may God have mercy on the neighboring states.

You see, Hungary has never been in the same situation as now. Apart from that, I am of the opinion that no one wants to force his will on us. This is unusual. We have always been associated to a big power or dependent on one, etc. Now the situation is different. No one is interfering in the question of which system we want to have here, how we want to strengthen the democratic institutions. This is an unusual situation. And we must make good use of the opportunities provided by that.

At the same time, our situation is characterized by the fact that in the neighboring states there live Hungarians for whom we have not only the right but the duty to act in their interests. We are thus in such a complicated situation.

I want to see to it that over the coming months we continuously and gradually manage to convince our Western partners that they need not faint about the support that they give us and the other countries in this region.

Forgive me, but this is not the point. I am not talking about humanitarian aid. The point is that the majority of Western companies have done very well and have made huge profits and have been given opportunities here in this region, including Hungary. I would like an asynchronous cooperation between Western industrial countries and Hungarians, as a pioneer of modernization so to speak, of development, etc. For this reason we would need a new policy from the EU.

[Lendvai] Can you assure us that foreign investment will not be endangered by increased taxes or restrictions?

[Horn] Even now they are getting preferential treatment. They are exempt from tax for five years. What people complain about is only the enormous bureaucratic apparatus that makes everything more difficult, that one has to line up for everything, that companies are sent from one place to the other. This must be changed radically, so that the influx of foreign capital is hindered as little as possible.

[Lendvai] Let us come to the issue of the Hungarians in the neighboring countries, which you mentioned briefly just now. This is Hungary's most important foreign policy problem, and there are some people in the West who see the situation of the minorities as a catalyst for future conflicts. What do you intend to do? Where will you change the policy compared with the former government's? Or will you stick to this course?

[Horn] The West should take into account that the issue of minorities is always linked with territorial and border issues—one just has to look at the former Yugoslavia—and this may always lead to conflicts. This is one assertion.

Second, we do not make the issue of minorities subservient to bilateral relations, and bilateral relations are not made subservient to the issue of minorities. We say that the situation of Hungarians living abroad can be improved—e.g. as regards Hungary and Romania—if we also create normal relations with the Romanian political forces. Only then can we help. Not everyone shares this opinion in the circle of the Hungarians there or in Slovakia. We must come to an agreement with Romania and with Slovakia, never mind other neighbors. We must solve the problem of Bos-Gabcikovo-Nagymaros within the shortest possible period. We must conclude basic bilateral treaties, which say that borders are inviolable and which commit the countries to guaranteeing the rights of the minorities living there without any restrictions.

[Lendvai] What are your first travel plans if you are elected?

[Horn] My first trip brings me to Bonn, Vienna, and Bratislava. I want to visit these three cities in the summer.

[Lendvai] Is this also some kind of political priority visit?

[Horn] No, look, I have a very pragmatic outlook. It is a great concern to me to promote Hungarian-German economic relations. Therefore, I think this has priority. In addition, I am rather well known in Germany—if you will forgive my presumption. Second, a new situation might develop between Austria and Hungary as a result of Austria's forthcoming EU membership. Furthermore, I have a particularly cordial relationship with Chancellor Vranitzky, and this is also necessary because of the extraordinary nature of the relations between Austria and Hungary.

Regarding Bratislava, I have already mentioned the issues that are waiting to be addressed. In addition, elections will be held there in autumn, and I found a very normal partner in Moravcik when I visited Bratislava last time. This does not mean that we do not consider Hungarian-Romanian relations of equal importance or that we do not have to become active at the Hungarian-Serbian level, not to mention the United States, France, etc. No, these are just the first steps that we have to take.

However, this does not relegate the importance of our relations with France to the back burner at all.

[Lendvai] Thank you very much for taking the time for this first great interview for the Austrian Radio and Television Company, ORF, despite the heat and despite your not perfect state of health, perhaps also as a sign of the special relations with Austria.

Bekesi Interviewed About Economic Prospects

AU0807163094 Budapest UJ MAGYARORSZAG in Hungarian 8 Jul 94 p 6

[Interview with Finance Minister-Designate Laszlo Bekesi by Theodora Szabo; place and date not given: "Bekesi's Package"]

[Text] [Szabo] According to outgoing Finance Minister Ivan Szabo, the handing over of the Finance Ministry is proceeding in an orderly fashion; at the same time, other sources say that the change in ministers is not always free of problems. What is the truth?

[Bekesi] It is not an exaggeration to say that cooperation with ministry employees is excellent. I can only say the best so far.

[Szabo] In the documents that you are taking over, have you found any facts or data that you did not expect and that surprised you?

[Bekesi] There have been such cases. The current state of the budget is worse than I imagined. I had no illusions, and I knew that there were problems, but I did not expect such a deficit. The budget has no reserves. The old government used up all the budget reserves, or they have already promised them away. I did not expect this. I do not yet know what consequences this will lead to. Naturally, I have not yet been able to study the documents fully, because there is a huge amount of material, and I do not yet have a full picture of our real inheritance.

[Szabo] However, you probably have a clear picture about the expected processes. What will the state budget deficit be? Is it possible that it will reach 400 billion forints, instead of the planned 330 billion forints?

[Bekesi] It is close to 400 billion forints. This can no longer be financed from savings. There are possibilities of reducing this deficit, but we can no longer reduce much this year. However, it is certain that we cannot allow ourselves to delay action. There is little money for distribution, and we cannot expect miracles.

[Szabo] What about the promises? Can you implement the 8 percent increase in pensions by September while the social security budget also has a deficit?

[Bekesi] A decision has been made about the 8 percent, and we are also obliged by law to increase pensions, but no one thinks about the missing funds, because there is no economic growth. The way I see it, there is financial cover for an increase of 5 percent. The debate will focus on where to get the remaining funds from.

[Szabo] People are saying that if expectations are not fulfilled, an automatic conflict between the finance minister and the trade unions will emerge. We have learned that you have already received a package containing their first demands. What does this package contain?

[Bekesi] I would also like to know, because I have learned from radio and the newspapers that I have

received such a package, but apparently it was wrongly addressed because I never got it. Seriously, though, it is high time that things were put in order. In an economic crisis, it is quite natural that there is a conflict between the finance minister and trade unions. It is the task of the government now to improve the economic balance. This implies the narrowing down of distribution; the government should not focus on social policy and wage policy; instead, it should declare that we should first produce what we can later distribute. On the other hand, the trade unions focus on the social factors; this is their job. Not only in Hungary, but anywhere in the world. I hope that we will be able to reach a compromise. If we fail, this will be a new situation, but the government should not give in because it must work for the whole of the country in the long run. We need consistent steps, and I do not think that the government can fall because of restrictions.

[Szabo] In one of your statements, you said that a government made up of politicians will function now, because you failed to create a government of experts in the first round. What do you mean by this? Will there be another round?

[Bekesi] Yes, a government of politicians is emerging, but—and this is very important—it will be a working government made up of expert politicians, even if not all the positions are filled by the best relevant experts. I think we will be able to work as a good team. The second round should rather be interpreted as a second stage; the essential thing is that the second line behind the ministers should be very strong; that is, only professional considerations should be used in appointing the state secretary, department heads, and advisers. We must come to a point where the ministers are able to win over the best experts of their respective area.

Peter Boross Comments About New Coalition

AU0807122594 Budapest NEPSZAVA in Hungarian 7 Jul 94 p 2

[Report on interview with outgoing prime minister Peter Boross by Rita Csik; place and date not given: "The Prime Minister Is Concerned"]

[Text] Outgoing Prime Minister Peter Boross received members of the Independent Association of Parliamentary Journalists on 6 July. Peter Boross said that he is concerned about the new coalition. The agreement cannot be observed because it is ambiguous and general in its formulation, or it is so paralyzing that it places in question the government's dynamics and its vitally needed ability to make quick decisions. According to Boross, the outgoing government had "greater" forces than the incoming one.

The program adopted by the coalition is actually based on the concepts of the Alliance of Free Democrats [SZDSZ]. The fact that the Hungarian Socialist Party [MSZP], which won 54 percent of the votes, did not dare to form a government alone is unprecedented. In Boross'

view, nowhere in the world can one find a situation in which a party capable of governing alone allows its smaller coalition partner to decide.

Boross thinks that Laszlo Bekesi actually blackmailed his own party when he declared that he would only accept a position in a coalition government. Boross wonders to what extent the MSZP will fall off in this coalition and how long the Socialists will accept the fact that the smaller party "forces" its own program on the MSZP by controlling part of the essential authority.

Boross criticized several elements of the Bekesi-program. Boross thinks that it would be a mistake to keep back the outflowing revenue by increasing consumer taxes, because this would have serious inflationary effects. Boross also thinks it is a mistake to try to reduce the budget deficit by withdrawing funds from community development projects. Boross mentioned the fact that, as interior minister, he started several village development programs and, as a result, these villages not only received new roads, water pipes, and natural gas, but they also increased their ability to preserve their population.

Peter Boross also said that he did not accept the nomination of his party as head of the parliamentary faction of the Hungarian Democratic Forum (MDF) or deputy chairman of the Parliament because he wants to deal mainly with the party. The national conference scheduled for September this year will reveal what function Boross will have in dealing with the party. Both presidium membership and the position of party chairman can be considered. Asked whether he agreed with parliamentary group leader Ivan Szabo's opinion that a strong center right in the form of some kind of a union can emerge with the participation of some SZDSZ members, the MDF, the Federation of Young Democrats, the

Christian Democratic People's Party, and the Smallholders, Boross declared that this cannot be excluded. But the MDF is interested in being a strong center-right party itself. If a strong center right can only be achieved through a union, one must promote this union. One should be careful about what becomes public of such a drive, because this could lead to bad feeling among the smaller parties, a bad feeling that could distance them from this concept. Cooperation can be broadened as long as the citizens can differentiate between the party programs.

Coalition Consensual Program Offers Solutions

LD0807122094 Budapest Kossuth Radio Network in Hungarian 1000 GMT 8 Jul 94

[Excerpt] The introduction to the draft government program states that the Hungarian Socialist Party (HSP) and the Alliance of Free Democrats (SZDSZ) undertook to continue the transformation that began in 1989 and to overcome the economic and social crisis when it agreed on joint governance. The government is aware that a significant proportion of the country's population has come close to the limit of its patience and tolerance, therefore the program, based on the coalition agreement between the HSP and the SZDSZ, offers a solution to serious troubles.

The introduction also said that the government does not want to resort to using its political authority by ignoring the views and intentions of significant groups of the society, citing the will of the majority.

The document of more than 150 pages consists of 15 chapters. The largest chapter deals with the economy. [Passage omitted]

Relations, NATO, Economy After Clinton Visit

WS1107115294 Warsaw TRYBUNA in Polish 11 Jul 94 p 6

[Article by Zygmunt Slomkowski: "Clinton's Realism; Without Emotion or Prejudice"]

[Text] *We are dealing with a whole range of assessments voiced in the first opinions expressed after President Clinton's visit—from deep disappointment to enthusiasm. I think both these extreme positions are groundless. The position of disappointment expresses dissatisfaction over the fact that Clinton did not fulfill exaggerated promises that had been formulated in Warsaw, not in Washington. In most cases, those who express such views fell victim to their own expectations. Enthusiasts, on the other hand, are engaging themselves in an overinterpretation of the words spoken by the U.S. guest, and they regard the U.S. President's nice gestures toward Poland as actually meaning something.*

So what is the truth in all of this? No time frame for joining NATO was set, but only naive people could have hoped for that. The United States is a superpower, but it is not NATO's chief, and it cannot speak for the entire "sixteen," which, except for local interests, have not even made up its mind on what NATO is supposed to be or on how to place it in a new Europe free of political/ideological divisions, and under a situation where Russia, despite changes in its regime, occupies a defined place on the continent and in the world.

Clinton's caution must be viewed against that context. For the first time, however, he repeated or listed the following:

- Europe's security depends on the security of our region.
- Confirmation that the U.S. desires to expand NATO while stressing that Poland is among the first candidates to be considered.
- Rejection of the "gray area" concept, plus the announcement of measures preventing the establishment of such an area.
- Announcement of considering the criteria and terms for expanding NATO next year.

Of course, it is not a mechanical reduction of the distance between Poland and its NATO membership. Only those who do not understand a whole lot or, to put it in other words, those who intentionally or unintentionally regard NATO's expansion as moving its borders eastward and nothing else, could be shedding tears or, even worse, trying to use it as an argument in domestic political infighting against the governing coalition because of that. The West's thinking is simply along different lines. The point is precisely not to create new divisions. In other words, the point is to "suck Russia into the European system" rather than build up NATO against Russia. It is a path that, for Western countries,

has its beginning with Moscow's joining "Partnership for Peace" and its agreement on partnership with the European Union. Both these agreements impose the kind of obligations on Russia that also affect our security.

What is also crucial to us is that, as Clinton said in Warsaw, the United States regards our region indirectly as the West's security area, while security is not perceived in military terms exclusively. I would put it in a stronger way: In a sense, the military terms have taken a backseat, and that is because the state of Europe depends on the domestic developments of the countries in our region, including Poland. That is why Clinton stressed so much the need and the efforts by the United States to resolve social problems. Paradoxically, the commander of the world fortress of capitalism is more sensitive to unemployment, inadequate salaries, and so forth, than so-called Polish liberals, who, after all, have tried to explain to us over a period of almost five years that stressing these negative phenomena is simply a demonstration of yearning for the Polish People's Republic and postcommunism.

Obviously, the U.S. Administration is not sympathetic toward populism or even demagoguery. Financially speaking, it expressed its interest in the way these problems are being solved—establishing incentives to private entrepreneurship and creating the correct conditions for unemployed people to get involved in something useful, and also for cost-efficient housing and the establishment of a social protection system. The financial assistance that was announced is not impressive and, in some cases, is even symbolic. The issue, however, is not in providing assistance but in providing incentives for measures in which means from the U.S. budget are to act like yeast.

Two things come to mind at this point.

First, the President announced only financial decisions because they have to be made by Congress. That is a lesson in democracy for Poland, where, in so many cases in the past, the government made decisions that had a financial impact, and only then did it put the screws to parliament.

Second, over the past few months, we have been witnessing the West's increasing involvement in Poland. Government declarations on that have been appearing in increasing numbers. This proves that the current governing coalition enjoys confidence in the West and that political circles there do not take seriously either the black scenarios predicted by some prophets or Lech Walesa's malicious remarks addressed to the left wing.

Encouragements for investing in Poland are particularly significant. President Clinton demonstrated them strongly, as well. It is first of all an incentive for U.S. businesses, which the president assured that Poland is a safe country for doing business. Let us recall that not so long ago, Poland found itself on a list of 10 countries with which the United States will make its economic cooperation more dynamic.

Naturally, everybody can feel somewhat dissatisfied after the visit. Still, one has to keep in mind that Poland, by definition, is not of priority importance to the United States. A major global superpower, currently the biggest one, has worldwide considerations. At the same time, however, we are not a marginal issue in these calculations.

It is not a result of history or of our country's area and population size or of Poland's geopolitical position. What was determinant was the road that Poland took and the stabilization that, contrary to some politicians, is gaining strength with so much pain. It is worth drawing practical conclusions from that. One must remember that it is precisely the U.S. President who called this parliament at Wiejska Street, which is disliked not just by the right wing, "the heart of Polish democracy."

U.S., Russian Factors Behind Clinton Trip

WS0807125194 Warsaw RZECZPOSPOLITA in Polish 8 Jul 94 p 31

[Commentary by Kazimierz Dziewanowski: "Allaying of Fears"]

[Text] The U.S. President swept through Warsaw like a hurricane. Polish people, who are not used to this kind of tempo (our state visits are often longer and with a lot more pomp), are now asking themselves all kinds of questions. Questions are also being raised by the press. The most frequent question is: Did the visit have some sort of profound meaning, or was it just a propaganda move? One of the newspapers wrote yesterday: "In accordance with previous expectations, Clinton did not come here to discuss things but to improve his ratings back home." The paper also noted that only 34 percent of the American people are happy with the president's foreign policy.

This raises a number of issues. One does not have to be a psychic to say that, when U.S. presidents make such intensive trips, they think primarily about domestic reception of the event. We know of a few other presidents who think along similar lines. A second thing is that, when an effort of this size is undertaken because the domestic situation requires it, that must mean something.

Only at that point can one begin slightly deeper considerations.

Well, all signs are that the domestic situation in the United States requires a reevaluation of the foreign policies implemented up to now. The point is to weaken the criticism, which is getting even more intense and which says that U.S. foreign policy has been basically inefficient up to now, that they have weakened the U.S. position and room for maneuvering around the world and that these phenomena have begun to get dangerous. And a second thing: The point is to demonstrate that the opinions of many (practically of all) restrained U.S. politicians who have foreign policy experience are being

taken into account, including Republicans, because that could have major significance during the coming congressional battles. These battles will be about issues that are of key importance to the President—in particular, health-care reform. Scoring success in these issues may prove difficult without the support of at least some Republicans, who, in turn, express sharp criticism of the way foreign policy has been handled.

And a third issue: One of the key elements of the criticism talked about here is the accusation that the present administration has been excessively stressing relations with Russia and President Yeltsin—that is to say, it evaluates the chances for Russian reforms too optimistically, while, at the same time ignoring the fears, needs, and hopes of the countries of Central and East Europe, which, in turn, get concerned and begin displaying negative political reactions.

The current trip was undoubtedly meant to allay those fears. Also, judging from many messages coming from Washington, the point is not just about changing appearances or improving the atmosphere. What is also involved is a real fear that the direction of foreign policy implemented up to now was too oriented in one direction. I think that the statement Bill Clinton made in Riga, where he said that the issue of withdrawing Russian troops from the Baltic states cannot be linked to the issue of the rights of Russian minorities in those countries, was an important statement (the troop issue is very timely because of the impending deadline for a pullout of troops from Latvia at the end of August). Against this background, one should also consider other things that were said, or that were left unclear, during this trip.

So the trip's background is very complicated, and it should not be simplified without deliberation. On the other hand, nobody should ignore or take lightly the needs, fears, and hopes of countries such as the Baltic states, Ukraine, the Czech Republic, Hungary, and Slovakia.

And Poland...

I think that the visits to Riga and Warsaw are an important stage in the complicated life story of a phenomenon called Bill Clinton's Democratic administration. His speech in the Sejm contained very clear elements suggesting that the reevaluation I mentioned earlier is under way.

Oleksy on Walesa's Comments on Clinton Visit

LD0807180394 Warsaw PAP in Polish 1613 GMT 8 Jul 94

[Text] Warsaw, 8 Jul—At a news conference given by the Sejm Presidium on Friday, before the commencement of the parliamentary recess, Sejm Speaker Jozef Oleksy stressed that the *raison d'etat* and the state imperative ought to be above the unavoidable political game that arises in the conditions of pluralism.

The speaker mentioned that, in the Sejm Presidium's contacts with the government, there are "situations of dispute and even irritation" associated with "a certain lengthiness in the work of the government mechanism, the delaying of government materials (for the Sejm), and the nonadherence to deadlines."

At the news conference, Speaker Oleksy was requested to comment on the words of President Walesa (in an interview for PAP on 8 July) that, in the course of the visit of President Clinton, there was manifested the voices of communists who "in various places and situations praised the old system" and that the people involved are people "from the highest reaches of power."

Oleksy replied that this might relate to his own person. "There was such a brief moment, when President Clinton used an assertion in his toast on the ruin left behind by socialism. Later, in an altogether informal conversation and joking, I spoke of this, saying that not only a ruin was left behind in the Polish economy because we are after all privatizing something, something has a value. That was all. President Walesa did not hear this because he was sitting in another place. He obtained a certain report, which may have been an incompetent one," Oleksy said.

Asked about the efforts of Foreign Affairs Minister Andrzej Olechowski for the Sejm to change its decision regarding the course of work on the Concordat ratification law, Oleksy stated: "Theoretically, the Sejm may change its own resolution." "On the other hand, we well know that many circumstances would have to arise and many arguments will have to be convincingly formulated for such a move to be entered onto the agenda," he said.

A difference of view among the members of the Sejm Presidium as to the evaluation of the resolution of the chamber regarding the ratification of the Concordat was brought into prominence during the course of the news conference. Deputy Speaker Jozef Zych recalled that the Polish Peasant Party parliamentary club had gone to the Constitutional Tribunal on this matter. Aleksander Malachowski stated, on the other hand, that the decision of the Sejm was the result of "a sensible compromise" and that, as a result of the initiatives of the Union of Labor and the Democratic Left Alliance, the Concordat had currently "not been rejected." Olga Krzyzanowska, who belongs to the Freedom Union, called the Sejm resolution "a dodging of the issue because it had referred the decision to an as yet not extant constitution."

In association with the questions of journalists on the linkage of deputies' mandates with posts in the government, Jozef Zych said that this problem "had manifested in drastic form in the Polish Peasant Party, and not only against the background of the holding of government and parliamentary posts, but also party posts." Zych announced that the Polish Peasant Party Supreme Council would "shortly, for a second time" be looking into this.

On Friday, the Sejm Presidium for a second time evaluated the rhythm of work of the Supreme Chamber of Control [NIK] and its cooperation with the Sejm Presidium. Oleksy said that this had "a certain specific cause." Various signals and accusations were coming in "against the leadership of NIK, against Chairman Lech Kaczynski, and the Solidarity group within the NIK was drawing attention to certain phenomena" within that institution. The speaker said that the first phase of evaluation and discussion of these topics was closed. The Sejm Presidium will return to these problems shortly after the holiday recess. The point at hand is the evaluation of the work of NIK and its leadership, which, Oleksy stressed, was a normal practice that had not been carried out in the previous and present terms of office of the Sejm.

The present Sejm has met 25 times (which was equivalent to 60 working days), adopted approximately 70 laws, of which 40 percent had an urgent character, and considered 13 rulings by the Constitutional Tribunal, and deputies placed 460 written and 210 oral questions to the government, it was reported at the news conference. Oleksy judged that the Sejm had worked "decently and hard."

U.S. Economic Assistance Package Noted

WS0807145394 Warsaw GAZETA WYBORCZA in
Polish 8 Jul 94 p 3

[Article by "mawi" and "wk": "U.S. Ideas; Clinton's Program of Economic Assistance"]

[Text] *The U.S. Government has declared almost \$200 million in cash and credits to support the Polish economy. The Polish Government is awaiting the details and will hold talks with Clinton advisers remaining in Warsaw after the President's departure.*

USAID introduced an initiative last week for financial support of a social assistance program in Poland. So far, the Americans have promised a lot, but they talk in generalities, officials at the Council of Ministers' Office complain.

In their view, USAID is to assist, among other things, in ownership transformations, reforming the social security system, reducing unemployment, and reforming the housing sector. Concrete talks with U.S. Government experts, who will remain in Poland for about a week, will begin in a few days. At that point, the Americans will most probably say exactly how much money they will allocate to implement their ideas for assisting the Polish economy.

For the Polish Housing Industry...

...USAID has an idea of how to resolve the problem of "bottlenecks" in land and mortgage register courts. Currently, people who build their own houses or apartments have to wait a few months before a court sets up a land and mortgage register for them. Until such a register is

established, they cannot get a mortgage (such credits are issued with real estate as collateral).

The Americans also offered financial assistance for five to 10 pilot programs in the housing-construction sector. Apartment complexes will be built with U.S. money (a total of about 500 apartments), equipped with water-supply systems, natural gas, and hot water. USAID experts promised the most modern technologies, which so-called development firms have been applying in the United States, for the sale of homes on mortgage credits.

The U.S. Government's declaration of banking guarantees, in the range of \$25 million, are nothing new. Through the guarantees, the Polish Government is able to obtain loans at privately owned U.S. banks to finance housing construction. Along with a \$200 million credit from the World Bank, the monies are to be added to the Mortgage Credit Fund.

Regarding Privatization...

...Clinton announced assistance in the implementation of the Popular Privatization Program. The U.S. Government, the Polish-U.S. Entrepreneurship Fund, and the European Bank for Reconstruction and Development will devote \$75 million toward that goal.

The U.S. Government is suggesting the establishment of a Polish Partnership Fund, with \$65 million in starting capital. The fund would primarily support U.S. investments in the Polish private sector. The value of the investments would cross the \$650 million mark, which, according to the U.S. Government, will be of help in the market reforms and in maintaining the rate of economic growth. Half of the \$65 million pledge that was announced is to come from the largest U.S. trade union center.

President Clinton also announced \$20 million in loans for the development of small and medium-sized Polish firms. The United States believes that this will help us limit unemployment because it is precisely small businesses that have the ability to create new jobs in the quickest and least-expensive ways possible.

Walesa, NATO Commander Discuss 'Partnership'

LD0807163894 Warsaw PAP in Polish 1440 GMT 8 Jul 94

[Text] Warsaw, 8 Jul—Lech Walesa, president of the Polish Republic, today received George A. Joulwan, supreme commander of the NATO Joint Military Forces in Europe. The meeting was attended by General Tadeusz Wilecki, chief of the General Staff of the Polish Armed Forces, and by Secretary of State Henryk Goryszewski, head of the National Security Office [BBN] at the Chancellery of the president of the Polish Republic, the Press Office of the president of the Polish Republic has reported.

The president accepted with understanding the NATO signal that the Polish Republic is a leader in cooperation. This is a signal to the world that prejudices the direction of further development. Military cooperation is very important, but you should not forget about its political and economic backing. The faster we achieve the highest level of cooperation, the greater the stability of security in Europe. In the president's view, the whole of Europe needs clear, stable, and transparent principles. The chief of NATO staff in Europe spoke very approvingly about the Polish Partnership for Peace document, about the Poles' great involvement, and about Lech Walesa's great powers of argument and his power of authority.

The president of the Polish Republic announced that he will take part in the NATO exercises planned for September on Polish territory.

PRC's Li Peng Arrives, Makes Statement

AU0907182394 Bucharest Radio Romania Network in Romanian 1700 GMT 9 Jul 94

[Text] This afternoon Li Peng, the prime minister of the State Council of the People's Republic of China, arrived in Romania, where he is to visit over 9-12 July. This is the last stop of his European tour, which also included Austria and Germany.

The arrival ceremony took place at the Mihail Kogalniceanu airport near the city of Constanta, where the Chinese dignitary was met by an honor mission consisting of representatives of the government, the Ministry of Foreign Affairs, and the Constanta County prefect's office.

In a statement made to the press upon his arrival, Li Peng said, quote, I am very glad that today I came to Romania upon the invitation of President Ion Iliescu and Prime Minister Nicolae Vacaroiu.

I would first of all like to convey to the friendly Romanian people the cordial greetings of the Chinese people. There is a profound friendship between China and Romania, between the peoples of the two countries, which, looking back on a long history, has passed the trial of time. Over the recent years great changes have occurred both in our countries and on the international plane. The continuous expanding and development of the relations of friendship and cooperation between our countries, under the new circumstances, represents a common wish of both parties, complies with the interests of the two countries and peoples, and is beneficial to world peace and stability.

During my visit I will hold talks with President Ion Iliescu, Prime Minister Nicolae Vacaroiu, and other Romanian leaders, on the furthering of the friendship and cooperation ties between the two countries and on international issues of joint interest. At the same time I will have the opportunity to see on the spot the changes that occurred in Romania over the recent years, as well as the efforts made by the Romanian people to achieve social stability and economic development.

It is my belief that this visit will deepen our mutual knowledge of each other, strengthen the friendship between the two parties, and will give a new impetus to the durable, constant, and profound development of the friendship and cooperation relations between the two countries in all domains of activity.

I wish that Romania should achieve social stability and economic progress. I wish much happiness to the Romanian people, unquote, says the statement of Chinese Prime Minister Li Peng.

The Sunday [10 July] agenda of Prime Minister Li Peng's stay in Romania includes a visit at the Murfatlar Wine Research Institute and an official dinner offered by the prefect of Constanta County.

On Monday [11 July] the high-ranking Chinese official is expected to arrive in Bucharest, informs our correspondent Sorin Croitorescu.

Iliescu Statement About Impeachment Proceedings

AU0807132294 Bucharest Radio Romania Network in Romanian 1000 GMT 8 Jul 94

[Text] In the first part of the news conference held today at Cotroceni Palace, the spokesman of the Romanian Presidency, Ambassador Traian Chebeleu, read several press statements.

The first statement notes that President Ion Iliescu appreciates the political maturity that prevailed in the parliamentary debates on the request to have Romania's elected president suspended from office, and the confrontation in the parliament was a political lesson for parliamentarians, as well as for those who followed the debates and for the president.

Likewise, Romania's president expressed the belief that it is high time for Romania's political life to enter its normal course, and stated that he has no resentment toward political parties and parliamentarians who forced certain constitutional provisions in order to reassert their political position that is well known anyway. The president renewed his appeal for understanding among all parliamentary political parties and urged them to cooperate in the act of promoting the fundamental interests of the country.

Broaching another subject, the spokesman stressed that the reason for taking a stand on the issue of nationalized dwellings can be found in the innumerable complaints he received about the real human tragedy of certain families who were abusively evicted from the houses where they have lived. Mr. Chebeleu added that the Presidency has documentation that includes appeals and letters from citizens and it can be handed over to those interested in the issue of nationalized dwellings.

In connection with the tension that has been artificially created in Cluj-Napoca, the president of Romania calls on all those involved in the respective dispute and public manifestations to demonstrate calm, moderation, and wisdom.

The Presidency's spokesman noted that the act of politicizing, by both sides, an issue that can have solely a scientific character is incomprehensible and added that the notification submitted by the UDMR [Democratic Union of Hungarians in Romania] to international organizations about this false issue is a regrettable act that is uncalled for.

Cunescu: 'Extremist Parties' Blocked Impeachment

AU0807132894 Bucharest Radio Romania Network in Romanian 1000 GMT 8 Jul 94

[Text] At today's news conference of the Romanian Social Democratic Party [PSDR], Mr. Sergiu Cunescu, the president of that political faction, noted that the request to have President Iliescu suspended from office

was rejected because of the vote of the extremist parties. Those parties have saved the president of the country from a confrontation with the electorate in a referendum, said Mr. Sergiu Cunesu.

Discussing the debates held on the issue, Mr. Sergiu Cunesu noted the lack of legal arguments in the statements of parliamentarians who represented the majority party, the verbal aggressiveness, and the attempts to propel debates toward areas without any interest.

Referring to the impact that the act of the opposition might have on the electorate, the social democratic leaders expect the electorate to understand that the president of the country is not a person who possesses unlimited power and that the role of the opposition is to draw his attention to the errors he commits.

As far as President Iliescu is concerned, the PSDR considers that he should draw the conclusion that it is necessary for him to respect the Constitution and the laws of the country and use a language that is appropriate to the position he holds, our correspondent Elena Perdichi informed us.

PUNR President Rejects Cluj Excavations Order

AU0807150794 Bucharest Radio Romania Network in Romanian 1300 GMT 8 Jul 94

[Text] Our editorial office has received the following faxed communique, signed by Gheorghe Funar, spokesman for the PUNR [National Romanian Unity Party]:

Given the communique of the Romanian Government in connection with the archaeological survey in the Union Square of the Cluj-Napoca Municipality, the following things should be noted: For the first time in Romania, a special commission has been set up to pass a verdict on the advisability and importance of certain archaeological excavations for which all legal authorizations have been received and the results of which would illuminate our historical past.

The culture minister's order to halt the archaeological excavations in Union Square, reads the communique, cannot be respected because the works never started, due to the illegal public rally organized by the UDMR [Democratic Union of Hungarians in Romania] and

other actions of civic disobedience that took place on 7 July in the Cluj-Napoca Municipality.

Under the current situation, we propose that the Romanian Government issue an order to members of the commission of experts that they come to Cluj-Napoca by Monday and grant approval for the start of archaeological excavations. Likewise, the communique also notes, taken into consideration the illegal actions of the UDMR aimed at provoking interethnic conflict in Cluj-Napoca, the PUNR calls on the government to issue an order for a special investigation commission to come to the spot and inform the public of the anti-Romanian actions of this ethnic party—so reads the communique received by our editorial office today.

PAC Proposes Measures To Strengthen Alliance

AU0907185594 Bucharest Radio Romania Network in Romanian 1700 GMT 9 Jul 94

[Text] Today the national convention of the Civic Alliance Party [PAC] took place, during which they adopted a program to improve the functioning of the Democratic Convention of Romania [CDR], in view of strengthening its unity and the achievement of the principal political goal of the democratic opposition in Romania, namely to win the local, parliamentary, and presidential elections.

The main points of that program refer to:

1. Discussion of the CDR Protocol on the basis of the following principles:

- The CDR has to be an alliance among equal partners;
- All decisions have to be made on a consensus basis;
- The precise establishment of the competence of the member groupings—the political parties and other associations—in concordance with their nature and the specific means they resort to;
- The establishment of firm criteria for the elaboration of the CDR electoral lists.

2. The reinclusion, as soon as possible, within the CDR of the National Liberal party [PNL].

3. The elaboration of a coherent CDR political strategy, able to lead to an own ruling alternative, on the basis of the examination of the current domestic and international situation, reports our correspondent Iulia Gherman.

UN Fails To Secure Cease-Fire Extension

AU1007133594 Paris AFP in English 1229 GMT 10 Jul 94

[Text] Zagreb, July 10 (AFP)—Talks on prolonging a month-long ceasefire between government forces and separatist Serbs in Bosnia-Herzegovina have broken up, the UN press service said Sunday [10 July]. "The talks have been postponed," a spokesman said, adding that "I have no idea when the talks could resume." The much-violated ceasefire, which came into effect at midday on June 10, ended midday (1000 GMT) Sunday.

Meanwhile Yasushi Akashi, the UN's special envoy for Yugoslavia, pursued attempts Sunday to secure a truce extension. Yasushi had no immediate plans to return from Zagreb to Bosnia, his spokesman Paul Risley said.

However the UN envoy was pursuing negotiations by telephone and by fax with leaders of the republic's Croat-Moslem federation and the Bosnian Serbs, Risley added. Akashi, who travelled to Sarajevo Saturday to take part in truce talks, was ready to return to Bosnia if there was a reason to do so, the spokesman said. Prior to the Geneva ceasefire agreement signed on June 8, the Serb side had been pressing for a four-month truce.

The government side favoured a shorter truce, fearing that an extended ceasefire could lead to the freezing of front lines currently favourable to the separatists. Last week the so-called contact group made up of the United States, Europe and Russia presented the warring parties with a plan to end the conflict by partitioning the former Yugoslav republic, with 51 percent of the territory going to the federation and 49 percent to the Serbs. The two sides are required to respond to the partition plan, presented on a take-it-or-leave-it basis, by July 19.

Federation Refuses Extension

LD1007192594 Belgrade TANJUG in English
1917 GMT 10 Jul 94

["Pool" item]

[Text] Zagreb, July 10 (TANJUG)—Special U.N. envoy to former Yugoslavia Yasushi Akashi has failed to persuade representatives of the Moslem-Croat federation in Bosnia to follow the Bosnian Serbs' suit and agree to an extension of the Bosnia-wide ceasefire.

A spokesman for the U.N. Protection Force (UNPROFOR) said here Sunday Akashi was in the Croatian capital and had no intention of returning to Bosnia for the moment, but would try in telephone contacts to persuade the Moslems and Croats to renew the ceasefire.

According to unofficial information, the Moslem-Croat representatives had first tentatively agreed to an extension of the ceasefire, which expired at noon Sunday, but then refused to sign it when it was put down in writing, because it demanded of the warring sides to withdraw to

positions they held before June 10, which they say they had not discussed with Akashi.

The Bosnian Serbs on Friday agreed to extend the Bosnia-wide four-week ceasefire, which took effect on June 10, by another month.

Karadzic Interviewed About Latest Plan, Maps

AU0807185194 Belgrade VECERNJE NOVOSTI in
Serbo-Croatian 8 Jul 94 p 5

[Interview with Bosnian Serb leader Radovan Karadzic by Milana Markovic in Belgrade on 7 July: "The Maps Have Not Been Sealed"]

[Text] Dr. Radovan Karadzic arrived in Belgrade from Geneva at dawn yesterday. After several morning meetings in Belgrade, he met with reporters in the afternoon hours and held a press conference in Vila Bosanka. After the briefing, he spoke exclusively for our paper.

[Markovic] How would you personally assess the Contact Group maps?

[Karadzic] The maps are such that they will cause conflict between Serbs in Serbia and their brothers in the Srpska republic and the republic of Serbian Krajina. This is obvious because we are dealing with the fate of the Serbian krajina, connected to mother Serbia and the Srpska republic by the Brcko corridor, which is like a bloodstream. Imagine the situation and the dilemma the international community has put before us: What will we gain if we reject the maps, and what will we lose if we accept them. That is why I believe that right now we need to rally all Serbian intelligence, strength, parties—both parliamentary and non-parliamentary parties—all social factors. We need to unite our wisdom and decisiveness so that we can deal with this situation. We need great composure and the absolute unity of the people in deciding on this problem. As president of the state, I would say the maps were drawn by the Muslims with the support of U.S. and German diplomacy.

[Markovic] Could Russian diplomacy have accomplished more?

[Karadzic] It probably did everything it could. It is certain that it was powerless to do more. I cannot and will not believe that Russian diplomacy willfully abandoned us to the political will of the United States.

More Modest Assessments

[Markovic] The plan is more favorable for the Croatian-Muslim Federation. Can it be adjusted by the time you have to say whether you accept or reject it?

[Karadzic] I hope that we will be able to correct some things. After all, two weeks is not a short time.

[Markovic] Your first reactions to the plan, prior to your departure for Geneva, were sharp. It seems that you are

now somewhat more moderate. Have certain corrections and shifts occurred in the meantime?

[Karadzic] There were corrections, but unfortunately to our disadvantage. At the time I thought the plan would be put before us in the form of an ultimatum: take it or leave it.... In that case, our answer would have been clear; it is understood that we would have rejected ultimatums, since they have had no meaning so far. It turned out, however, that the international community's stance is a lot more flexible, which in turn means that a lot can be accomplished in these two weeks.... I wish to stress that by accepting the plan the Serbs can accomplish many things, things that are at the moment unacceptable, if they get independence, that is, sovereignty in the meantime, and even if they gain this sovereignty within a union—that of Bosnia-Herzegovina. We would then set the condition that we will not accept something like that without international sovereignty. You have the example of Belarus, which was part of the Soviet Union, yet it was a member of the United Nations. It had its personality [sentence as published.] Therefore, we will not agree to a union without international sovereignty.

[Markovic] And if you are forced to accept the solution without corrections.... How do you feel when faced with this possibility?

[Karadzic] I will not accept anything that the people do not accept; I am a servant of the people, as our Jovan Raskovic used to say: We are the servants of our people. The people will be presented with the whole truth. We have our people's representatives, deputies who are extremely responsible and honorable individuals, and loyal to their people. We also have other factors that will assess the situation and, on the basis of these assessments, a decision will be made. No one has the right to make moves to the disadvantage of one's own people.

Maintenance of Unity

[Markovic] What will you insist on?

[Karadzic] It would, of course, be very important to immediately solve the issue of Sarajevo and access to the sea. If all this is solved, it will be easier for us to make a decision regarding the maps. We cannot make a decision without a comprehensive package. We need to open, that is, see the whole package. We shall certainly insist on a part of the sea, at least a small part, since the Muslim-Croat Federation has been given the entire coast.

[Markovic] A large part of the territory of the Srpska republic would go to the Muslims, as many as 13 cities?

[Karadzic] Yes, if the new map is not adjusted, we would have to give the Muslims 13 cities. This is enough to indicate that the map needs more work.

[Markovic] Where do you think the people's resistance to this partition will be the greatest?

[Karadzic] Our people are absolutely united. They all worry equally about Brcko, both those who are concerned about the city and those who are not. This means that we have transcended [word indistinct].... For example, people in Trebinje are very worried about the fate of Brcko, although they can live and survive without the corridor. Therefore, we are together as a nation. Finally, I wish to say that we are ready to do a lot, even to sacrifice ourselves in order to maintain the Serbian people's unity. However, if the international community's requests are such that they threaten the existence of the Serbian nation as a whole, then we need to use this as a basis for maintaining unity, regarding both the acceptance and rejection of the plan [sentence as published].

[Markovic] This means that you are ready for peace at any price?

[Karadzic] We have always striven for peace, and we accepted everything that promised to keep the peace process going until the final establishment of peace. Others used this orientation of ours for their own gains in the war. We are against peace at any price. This question should be put to the other sides. Who is ready for this proposal?

Ganic Comments on Talks With Akashi, McCloskey

AU1107120894 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1000 GMT 11 Jul 94

[Report by Senada Cumurovic]

[Text] At the beginning of today's news conference, Dr. Ejup Ganic [vice president of the Bosnia-Herzegovina Federation] commented on his talks with Akashi in Mostar last weekend at which they tried to establish the position and the obligations of the UN Protection Force [UNPROFOR]. We had demanded, Dr. Ganic said, that UNPROFOR fulfill its mandate, however, because the meeting in Mostar has not been finalized yet, the talks on the subject will be continued tomorrow when Yasushi Akashi is expected to arrive in Sarajevo.

[Word indistinct] at today's news conference, as it was announced, discussed the visit by Federation Vice President Ejup Ganic and U.S. Senator McCloskey) in Mostar and Vitez. My main impression from Mostar and Vitez, Senator McCloskey said, is that the Bosnian-Croatian Federation is becoming alive. I believe that we, the Americans, have made the primary contribution in this. Senator McCloskey also announced imminent establishment of a bridge with Mostar to improve supplies and the living conditions in the town. In light of this, U.S. Ambassador to Bosnia-Herzegovina Victor Jackovich is currently visiting Zagreb, where he is discussing the creation of the bridge with the Croatian authorities.

Conveying his impressions, Federation Vice President Dr. Ejup Ganic afterward said that it was particularly

important that he, together with Mr. McCloskey had visited Mostar and Vitez in a period when the Federation is starting to spring into life and when (?it is evident) the relations between the two peoples—the Croatian and the Bosniak—are improving. At today's news conference, among other things, Dr. Ejup Ganic also announced a visit by U.S. teams that will [word indistinct] in the implementation of the elements of the Federation.

Report on News Conference

AU0807191694 Sarajevo Radio Bosnia-Herzegovina
Network in Serbo-Croatian 1700 GMT 8 Jul 94

[Zlata Behran report from Mostar]

[Excerpt] Today, Mostar was the venue for talks between foreign and domestic delegations. Zlata Behran reports from the news conference held after the talks:

[Behran] After waiting for almost whole day, a news conference was held in Mostar. The conference was attended by Kresimir Zubak, president of the Bosnia-Herzegovina Federation, Vice President Ejup Ganic, U.S. Congressman Frank McCluskey, U.S. Ambassador to Bosnia-Herzegovina Viktor Jackovich, and Mostar Mayor Safet [name indistinct].

Yasushi Akashi, special UN envoy for the former Yugoslavia, was the first to address the journalists. He said that talks were held on a new cease-fire in Bosnia-Herzegovina, the continuation of talks that were held in Geneva on 8 June, and other important issues such as ethnic cleansing, humanitarian aid, and the responsibilities of the Blue Helmets.

The talks with Mr. Akashi did not (?end) today, and will continue tomorrow [9 July], also in Mostar.

Journalists were most interested in the implementation of the agreement on the federation of Bosniaks and Croats. Nothing new was heard, but we nevertheless single out the answer by the Federation's Vice President Ejup Ganic: We should be out on the ground as much as we can. We have rolled up our sleeves and are working on the implementation of the agreement.

In reply to the question of whether the demilitarization of Mostar was also discussed, Mr. Ganic replied affirmatively, saying that the topics of that discussion were principled issues. He said: I think that what we have agreed on should be carried through. The agreement between the Bosniaks and Croats should bring about (?peace) in Bosnia-Herzegovina.

Commenting on the visit to the east part of Mostar, Kresimir Zubak, president of the Federation of Bosnia-Herzegovina, said: We came here with the gentlemen from the United States to visit Mostar and agree on what should be done next so that the work on the introduction

of a European administration of Mostar can be accomplished as well as possible. We also held talks with Mr. Akashi on the extension of the cease-fire, but these talks will continue tomorrow.

Mr. Zubak described the clashes between Bosniak and Croat peoples as senseless and stressed that they are now on the way to finding peace and improving the situation caused by these clashes. [passage omitted]

Boban, Croatia's Susak Address HDZ Meeting

LD0907184694 Mostar Croatian Radio Herceg-Bosna
in Serbo-Croatian 1600 GMT 9 Jul 94

[Passages contained within quotation marks are recorded]

[Excerpts] [Announcer] The third general convention of the Croatian Democratic Union [HDZ] for Bosnia-Herzegovina opened today at the Stjepan Herceg Club in Mostar. Apart from HDZ deputies, the convention is being attended by numerous esteemed guests from the Republic of Croatia, representatives of the Croat-Bosniak federation, U.S. ambassador to Bosnia-Herzegovina, Victor Jackovich, and others.

The convention is expected to elect the party's new president, five vice presidents, and its secretary general. Ivica Tomic reports:

[Tomic] The convention was opened by Mate Boban, the current president of the HDZ for Bosnia-Herzegovina. All the participants greeted their president with tumultuous, standing ovations, repeating this later on in the debate whenever Boban's name was mentioned. [passage indistinct]

A report on the party's work between two conventions was submitted by Pero Markovic, president of the executive council of the HDZ for Bosnia-Herzegovina:

[Markovic] "We met with Zagreb Cardinal Franjo Kuharic on 15 February 1994, and established permanent contact with the bishops and provincials. We also had numerous contacts with foreign envoys, the most important of which were meetings with the ambassadors of the great nations of Europe and with EU administrator for Mostar, Hans Koschnick, in Mostar. In all we held eight plenary sessions of the executive council in the period behind us, eight presidency meetings, and one executive council meeting. Among other things, we discussed the following subjects: the overall political situation, the security situation, the question of lawfulness, the suppression of crime, as well as the issue of personnel for the executive councils of public enterprises and reconstruction agencies.

"Finally, I would like to add the most important thing: All our activities—from conception to implementation—have been realized in collaboration and in accordance with the main committee of the HDZ in Zagreb and its president and founder, Franjo Tudjman. In terms

of political orientation, the HDZ for Bosnia-Herzegovina was and remains a constituent part of a single HDZ.

"Also valuable was our cooperation with the state bodies of the Republic of Croatia, which had been accepted by the international community as legal partners in the search for a solution in Bosnia-Herzegovina."

[Tomic] Here is what Gojko Susak, defense minister of the Republic of Croatia, said when he greeted the participants in the third convention of the HDZ of Bosnia-Herzegovina after conveying to them the paternal greetings from the president of all Croats, Franjo Tudjman:

[Susak] "Gentlemen, I have cited this story five or six times before. Once I visited the capital of a big world power, one of the leading countries, and a senior foreign affairs official of that country told me that not even my grandsons would live to see a free Croatian state or the disintegration of Yugoslavia. When he asked me what the importance of the referendum on Croatia's independence was for us, I said that the referendum is binding, so that if the Croatian people decide to leave Yugoslavia we had to fulfill their wish.

"That is what the situation was like then. Now more than 100 countries have recognized the Croatian state as an independent state, a member of the United Nations, the CSCE and other (?) organizations. Today we have the Croatian Army, the Croatian police, the Croatian currency, the Croatian judiciary, and a law-governed state—not yet fully liberated—and that is the task which we must complete.

"I believe that all of us here are brave enough to say that the HDZ can assume responsibility for everything that has happened to the Croatian people in Bosnia-Herzegovina—both good and bad. The Croatian people gave their trust to the HDZ, and the HDZ must be accountable to the people. Judging by everything that has happened—the odds against us in the beginning and everything we encountered on the way—I think that we cannot say that we have not succeeded.

"Gentlemen, your convention today—and we have heard questions as to whether you are a nation at all, whether you are a minority, or what—is being attended by the U.S. ambassador, a U.S. congressman. This is proof of your legitimacy as a nation in this region, and a guarantee that, in addition to Croatia—which is ready to do anything, and more than anything to protect your rights—there are also others who advocate freedom, rights, and democracy for the Croatian people as well.

"There is no reason why, as of today, all of us—and we have managed to achieve peace with the Muslims, which I believe to be one of our greatest successes in the past few months—would not build relations in the federation, which will speed up the creation of a confederation with Croatia. This depends more on you, gentlemen, than on the Muslims, and you should take my words seriously.

The setting up of the federation is the greatest task for all of you present here today when you go to your constituencies and work there."

[Tomic] The third convention of the HDZ of Bosnia-Herzegovina continued with a debate on the past work of the HDZ and the party's tasks ahead.

Party Leadership Elected

LD1007173294 Zagreb Radio Croatia Network in Serbo-Croatian 1700 GMT 10 Jul 94

[Text] The convention of the Croatian Democratic Union [HDZ] of Bosnia-Herzegovina ended today with the election of Dario Kordic as party chairman and the adoption of the party's program. Zdenko Vranjes reports.

[Vranjes] Dario Kordic was elected chairman of the HDZ of Bosnia-Herzegovina by secret ballot. Pero Markovic was elected secretary general, and Ivo Lozancic, Tomislav Obrdalj, Bozo Rajic, Srecko Vucina, and Jozo Maric were elected party vice chairmen. Members of the party's Central and Supervisory Committees were also elected.

During the ceremony of taking over the position of chairman of the HDZ of Bosnia-Herzegovina, Dario Kordic said that he will fight for the achievements of the Croat people in Bosnia-Herzegovina made in war not to be lost at peace, and for the Washington Agreement and the Constitution of the Bosnia-Herzegovina federation not to be devalued and altered at the expense of the Croat people. Kordic stressed that he expected further assistance from the HDZ's Central Headquarters and President Franjo Tudjman.

The party's program declaration was adopted during today's work of the convention. The declaration stresses the commitment to develop the HDZ of Bosnia-Herzegovina into an all-people's party based on the principles of Christian democracy. It also stresses that the HDZ of Bosnia-Herzegovina is an integral part of the united HDZ.

Conflicting Reports on Fighting in Bihac

LD1007104494 Belgrade TANJUG Domestic Service in Serbo-Croatian 0946 GMT 10 Jul 94

[Text] Petrovac, 10 July (TANJUG)—There was no peace in the Cazin Krajina in the past 24 hours, local Muslim information media are reporting.

Velkaton Radio in Velika Kladusa says the heaviest overnight fighting between followers of Alija Izetbegovic and supporters of Fikret Abdic was recorded in the Cazin municipality. The same source claims that after fierce battles forces of the APZB [Autonomous Province of Western Bosnia] national defense liberated Cajici, Bajrici, Murici, Delici, and Kovacevici.

During the night residents of Bihac were addressed via Sarajevo Radio and Television by Atif Dudakovic, commander of the V Corps of the so-called Bosnia-Herzegovina army. He said that the three-day offensive of Abdic's forces had collapsed and that this corps was controlling all territories.

Street Clashes Reported

LD1007120494 Belgrade TANJUG Domestic Service in Serbo-Croatian 1125 GMT 10 Jul 94

[Text] Knin, 10 July (TANJUG)—Forces of the autonomous province of western Bosnia [APZB] are three kilometers west of Bihac and are controlling a strategically important location of Veliki Bisovac which dominates the suburbs of Bihac, Serb Radio Knin reported this morning, citing witness accounts given by fighters of the APZB's national defense.

A Radio Knin reporter, who yesterday visited the area of the newly formed enclave loyal to Fikret Abdic, talked to some former members of the V Corps of the so-called Bosnia-Herzegovina Army who defected to the APZB. Their most serious reproach to Izetbegovic's followers is their "terror, torture, and plunder."

According to their accounts, street clashes between Abdic's infiltrated groups and the remainders of the V Corps are still going on in Bihac.

The territory annexed to Abdic's APZB consists of a dozen villages with around 10,000 residents and covers more than 50 kilometers [units as received].

Since this territory is not linked with Velika Kladusa, the fighting with units loyal to the government in Sarajevo spread northwards from Bihac towards the Velika Kladusa area.

Abdic Forces 'Routed'

LD0907215694 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 2000 GMT 9 Jul 94

[Text] We have just received the latest report from Bihac, in which Atif Dudakovic, commander of the Bosnia-Herzegovina Army's 5th Corps, addresses the fighters and people of this region. Here is what he said:

[Begin recording] [Correspondent] Mr. Commander, something strange and mysterious happened in the Bihac area over the past 48 hours. It all began early yesterday morning; what was this all about?

[Dudakovic] Dear citizens of the Cazin Krajina, brothers and sisters, soldiers of the 5th Corps, I, a member of the 5th Corps, who did not betray you in these fateful hours, thank you from the bottom of my heart for enduring these moments.

I want to point out that the largest—in terms of manpower and equipment—military operation of the past two years of fighting has ended. In an operation code-named (Tigar-Freedom 94), conducted by the soldiers

and officers of the 5th Corps, the people of Bihac, Cazin, Bosanska Krupa, Buzim, Velika Kladusa, and other towns have formidably and brilliantly wound up their operation. The terrorists and all those who wanted to inflict defeat and humiliation on the Muslim nation in our area and on their motherland of Bosnia-Herzegovina have been routed. The 5th Corps is in complete control of the free [southern] part of the Cazin Krajina [Bihac pocket]. The traitors never managed to set foot here. The moment the six traitors who wished to instigate rebellion among the people of Bihac set foot in the area of Izacic, they were mowed down by the 5th Corps machine-gun fire.

Although visibly excited, I wish to underline here that the officers and fighters of the 502d Brigade, the members of the Bihac police force, the state security forces, and the citizens of Bihac understood our pivotal role in this crucial battle perfectly well.

In the aftermath of this battle, more than 1,200 rifles were confiscated from our greatest traitor, Fikret Abdic, and his Serb comrades. More than 200,000 bullets and other military equipment were also seized, but I will not go into these details now.

In any case, this operation was conducted brilliantly by some great friends of mine [names indistinct]. All those who took part in this operation wound it up at around 1800.

I would like to reiterate that not a single member of the 5th Corps or the Muslim nation will ever forsake his sacred duties and responsibilities—loyalty to his own people and his country, Bosnia-Herzegovina. I wish to commend you all.

I warn those in the ranks of the National Defense [rebel Muslim forces] that the time has come for you to realize where you belong and to abandon those serving Milosevic and Karadzic. Know this: The National Defense headquarters is not smarter than the command of the 5th Corps. Fikret Abdic, you are not the smartest man in this world.

Once again I wish to thank all those who endured these three days in a state of uncertainty, but firm in their conviction that the masters of this game are the command of the 5th Corps and the leadership of the civilian political bodies. We have wound up this operation well. Thank you. [end recording]

5th Corps Simulates 'Mutiny'

AU1007202394 Zagreb HINA in English 1943 GMT 10 Jul 94

[Unattributed report: "Bosnian Army Troops Simulate Mutiny in Bihac"]

[Text] Zagreb, 10 Jul [dateline as received]—Bosnian Army Fifth Corps commander Brigadier Atif Dudakovic said in a telephone interview with reporters in Zagreb on Sunday [10 July] that a Fifth Corps elite unit managed to

deceive forces loyal to Moslem renegade Fikret Abdic infiltrated in the Bosnian army ranks by staging a mock mutiny in the northwestern Bosnian town of Bihac. Dudakovic said that large amounts of weapons and ammunition had been seized and five Abdic officers had been arrested and executed. He added that the action, which lasted 63 hours and which finished at 6 p.m. Saturday with a celebration on the streets of Bihac, had also exposed Abdic's cooperation with the Serbs. "This is a moral victory for the people of Bihac and Abdic should know that he is surrounded by people who support the Fifth Corps. He must know that none of his secrets can stay unrevealed," Dudakovic said. Fifth Corps forces, loyal to the Bosnian government in Sarajevo, simulated an attack on Bihac for Serb observers positioned in the surrounding hills, Dudakovic said. Describing the action, he said that they had set old tires on fire and that the town, shrouded in thick smoke, had been ringing with the detonations of blank shells. Abdic, deceived into thinking that "mutineers" were gaining the upper hand, sent weapons which were later seized.

Dudakovic said that weapons for Abdic troops were supplied by Serb forces from the UN-protected area in Croatia.

5th Corps Congratulated

LD1007205094 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 2000 GMT 10 Jul 94

[Text] The office of the president of Bosnia-Herzegovina and the main headquarters of the Bosnia-Herzegovina Army have sent a message of congratulations to the 5th Corps, which says:

Members of the 5th Corps of the Bosnia-Herzegovina army, who have been defending the country and people while completely encircled since the beginning of the aggression, have over the past couple of days performed a task of enormous military and political importance.

By precisely planning and courageously carrying out the operation in all its stages, the fighters and officers of the 5th Corps headed by their commander, Brigadier Atif Dudakovic, have scored a praiseworthy victory over Fikret Abdic's mercenaries.

During the operation the entire 4th Brigade of Abdic's paramilitaries crossed over to our side, bringing with them their arms and huge quantities of ammunition and other military equipment.

The aftermath of this well-conceived and performed operation is being experienced by the people of [Cazin] Krajina as a harbinger of final victory in our struggle for the freedom of Bosnia-Herzegovina.

Together with well-deserved congratulations, we wish to publicly commend all the participants in this complex operation. The most meritorious will be decorated after an expert military analysis is completed in a couple of days.

Surrender of 5th Corps Reported

LD0807134094 Belgrade TANJUG Domestic Service in Serbo-Croatian 1257 GMT 8 Jul 94

[Text] Knin, 8 Jul (TANJUG)—Atif Dudakovic, commander of the 5th Corps of the so-called Army of Bosnia-Herzegovina, today surrendered to the army of the Srpska republic while his corps is in complete disarray, Knin radio reported.

Following a rebellion in Bihac last night, villagers from six villages north of this town set off en masse toward Bihac to join the rebels. These villages are: Izacic, Vrste, Gata, Kamenica, Kokot and Garavica, Knin radio said, citing reliable sources in the republic of Serb Krajina.

According to the same source, the most elite unit of the 5th Corps—"The Tigers"—completely defected to the forces of the Autonomous Province of Western Bosnia loyal to Fikret Abdic.

Knin radio also said that the forces of the Autonomous Province of Western Bosnia are advancing toward Bihac and that the majority of the followers of Bosnian Muslim leader Alija Izetbegovic have been liquidated.

Abdic Linked With Serbs

LD1007180494 Zagreb Radio Croatia Network in Serbo-Croatian 1700 GMT 10 Jul 94

[Text] A news conference has been held at the information department of the Bosnia-Herzegovina Embassy in Zagreb. The topic was the situation in the Bihac area and the inter-Muslim confrontations. Atif Dudakovic, commander of the Bosnia-Herzegovina Army's Fifth Corps answered correspondents' questions over the phone. Bosiljka Bucan reports:

[Bucan] Reports arriving from the Bihac area in recent days have been part of a premeditated action by the Fifth Corps of the Bosnia-Herzegovina Army, called Tigar Sloboda 94, Atif Dudakovic, the commander of the Fifth Corps said on the phone.

The objective of the action was to uncover Abdic's cooperation with Karadzic's and Martić's chetniks and to eliminate the main reasons for the inter-Muslim conflict in western Bosnia. Everything began with the founding of the so-called forces of peace, consisting of elite Fifth Corps units, which showed loyalty to Fikret Abdic and ostensibly began to liberate Bihac.

[Begin Dudakovic recording] Fikret Abdic's Defense and Interior Minister Irfan Saracevic Zile personally led the operation, together with Rasim Pasic, and the main coordinator on the part of the Serb army was Branko Tujic, their security officer. The operation developed just as we anticipated. We demanded weapons, ammunition, and equipment for the rebels and sent disinformation, which Velkaton Radio and Serb media broadcast. The operation lasted for 63 hours. [end recording]

[Bucan] Significant quantities of weapons were obtained for the action. Abdic cannot deny his links with the Serb aggressor any longer. Five of his aides in charge of cooperation with Martić's chetniks have been liquidated. Intensified Serb artillery attacks in recent days have been a reaction to our success, Dudaković said, among other things.

'Grave' Humanitarian Situation in Bihac

AU0907141394 Sarajevo Radio Bosnia-Herzegovina
Network in Serbo-Croatian 1700 GMT 8 Jul 94

[Excerpts] The second session of the Government of the Republic and the Federation of Bosnia-Herzegovina was held in Sarajevo today. The session had only one point on the agenda: the humanitarian situation in Bihac. Miladen Bosnjak has the details:

[Bosnjak] After stressing that the humanitarian situation in the free territory of the Bihac region was extremely grave, supporting his claim with the fact that no convoy with humanitarian aid has been sent to the region since (?16) May, Prime Minister Haris Silajdzic said the following:

[Begin Silajdzic recording] The situation has become worse [words indistinct] especially in the villages around Bosanska Krupa. The land has not been cultivated [owing to combat activities] [end recording]

[Bosnjak] Foreign Minister Irfan Ljubijankić [words indistinct] said among other things the following:

[Begin Ljubijankić recording] The action that took place yesterday [words indistinct] should not disturb people, it is under control [words indistinct] you can believe [words indistinct]. (?I have been informed) about the details of what was happening, but, of course, I cannot mention them. However, after yesterday's action, our forces have significant advantages, perhaps advantages such as we have not had (?for some time) [words indistinct].

Regarding the humanitarian situation, the situation is as the prime minister described it. About 5 kilograms of food per person a month was delivered on average up

until 15 May. This is well below the average of 15 kilograms per resident as prescribed by the UNHCR. So, 5 kilograms a month. There are some 230,000 residents living there. Refugees, pensioners, and people living in towns where there is no arable land are in a particularly difficult position. So are some other categories of the population working in towns, such as medical workers, teachers. As the (?prime minister) said, a large area of arable land there has not been cultivated because a new frontline and new combat activity zones (?were formed) in that area last year. It has been dangerous to work this land. [passage omitted] [end recording]

[Bosnjak] Continuing the second session of the Government of the Republic and the Federation of Bosnia-Herzegovina, Mr. Silajdzic and Deputy Prime Minister Jadranko Prlić briefed members of the government on the preparations for a government delegation visit to the Republic of Croatia in the middle of this month.

Muslims Continue Attacks on Serbs in North

LD0907205394 Belgrade TANJUG in English 1926
GMT 9 Jul 94

[“Pool” item]

[Text] Doboj, July 9 (TANJUG)—Moslem troops continued Saturday their heavy attacks on Bosnian Serb positions and localities in the north, Bosnian Serb Army sources report.

The attacks were particularly fierce around Teslic, 25 km southwest of Doboj, where the Moslems launched two powerful combined infantry and artillery attacks, but were beaten back, the source said.

The Moslems stepped up small-arms and sniper fire on Bosnian Serb civilian targets in the valleys of the Bosna and the Spreca, northeast of strategically vital Mt Ozren.

They were attacking also west and northeast of Doboj, but the attacks ceased after the Serbs responded. The Moslems were opening fire on Bosnian Serb positions also along the Sava in the Brcko area.

Moslems and Croats are alternating in keeping up a constant stream of attacks on Bosnian Serb positions.

UN Vehicles, Personnel Halted at Ribnik Checkpoint*AU1107120794 Zagreb HINA in English 1048 GMT
11 Jul 94*

[Unattributed report: "UNPROFOR Convoy Halted in Ribnik"]

[Text] Gospic, July 11 (HINA)—Sixteen jeeps, several trucks, a road tanker and a bus with over 50 UNPROFOR [UN Protection Force] members were halted today at a police checkpoint in Ribnik, the Gospic area (about 150 km south of Zagreb). Croatian liaison officer Mile Ramic said that only members of the commissions on the implementation of the 29 March agreement and UNPROFOR civil police are allowed to cross the Ribnik checkpoint. All other vehicles have to return to their starting points, he said.

Government Denies Supporting Refugees*LD0807120694 Zagreb Radio Croatia Network in
Serbo-Croatian 1100 GMT 8 Jul 94*

[Report from Osijek by correspondent Zeljka Bacic]

[Text] The executive council of the Association of Croatia's Refugees gave a news conference in Osijek today. It reported on the present stage of its campaign of blocking UNPROFOR [UN Protection Force] and other international organizations. Over the past few days the refugees have been talking to United Nations High Commissioner for Refugees' representatives and representatives of UNPROFOR in charge of civilian affairs as well as with International Red Cross representatives who demanded access to the UN protected area so they could carry out their humanitarian duties. Today, they were allowed to talk to refugees at a checkpoint near Nemetin.

Refugees are turning out in increasingly large numbers as there is ever more support for the campaign. Today, Vukovar refugees from Zagreb, Slatina, and Kumrovac and representatives of the Association of Bosanska Posavina Refugees gave their support by taking part in the blockade.

This morning, the refugees on Bilje Road were visited by representatives of the Association of Croatia's Trade Unions. Last night, as reported at the news conference, a delegation of the Assembly of the Republic of Croatia was also present on Bilje Road.

It was pointed out again at the news conference that the campaign of demonstrating dissatisfaction with UNPROFOR is entirely the refugees' idea and that this is their independent campaign without support from the government.

Refugees: Blockade To Continue*AU0807163394 Zagreb HINA in English 1538 GMT
8 Jul 94*

[Unattributed report: "Refugees Write to Akashi, More Protests Announced"]

[Text] Sisak/Osijek, July 8 (Hina) - Head of the Association of Refugees of Sisak County Bozo Judas sent a letter on behalf of 40,500 refugees to UN special envoy Yasushi Akashi to draw his attention to statements by UNPROFOR officials, who said they were concerned about nation-wide refugee protests against UNPROFOR's inefficiency. Judas wrote that Akashi was not concerned about the fact that UNPROFOR had not implemented the Vance Plan and Security Council resolutions but that he was concerned how to deliver petrol and oil supplies and other necessities to Serb rebels in occupied territories. He asked Akashi to answer how many Croats and other non-Serbs UNPROFOR had returned to their homes during its mandate. "War criminals like Milosevic, Karadzic, Martic, Mikelic (...) you call excellencies, and we, the greatest victims of war, are nothing but demonstrators for you," the letter said. Representatives of refugees in the Osijek area told a press conference in Osijek today that they continued blocking UN check-points and that no incidents were recorded. Refugees also announced that tomorrow they would block UN check-points at Zemunik Donji and Jasenice in Zadar County and the one at Potravlje in Split County, while refugees in Zagreb said they would impose a blockade on UNPROFOR Headquarters in Selska Street in Zagreb next week.

Cochairmen To Discuss Peace Plan With Tudjman*AU1107104494 Zagreb HINA in English 0925 GMT
11 Jul 94*

[Text] Zagreb, July 11 (HINA)—The cochairmen of the International Conference on Former Yugoslavia, Lord David Owen and Thorvald Stoltenberg, are expected to fly to Zagreb today to talk with Croatian President Franjo Tudjman.

Tudjman Views HDZ, Relations With Belgrade*AU0807191994 Zagreb VECERNJI LIST in
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["Exclusive" interview with Croatian President Franjo Tudjman by Branko Tudjen; place and date not given: "'Valentic, Granic, Susak, Greguric, and I Can Win Every Election!'"]

[Text] [Tudjen] After everything that has happened in the party that you lead, the public is wondering about the following: why does Tudjman, as the first president of the independent Croatian state, not devote his time only to his work as a statesman in the field of domestic and foreign policy?

[Tudjman] Do I do anything else?

[Tudjen] The question refers to you being the president of the ruling party.

[Tudjman] In many other democratic countries, presidents do not only act as statesmen but head their parties. That is a democratic principle and it is applied differently in every country. Regarding the situation in Croatia in particular and that I am still the president of

the HDZ [Croatian Democratic Community], the explanation is that I am the creator of the HDZ and, like it or not, Croatia would not be an independent, sovereign, and internationally recognized country if it were not for the HDZ. Remember the views of the coalition parties in the elections of 1990, remember that the HDZ was accused of having dangerous intentions exactly because of those aspirations that led to Croatia's independence. Even today, some people on the political scene say that characterizing the HDZ as a party with dangerous intentions was an understatement! That means that some politicians do not only hold the same views as in 1990, but that they have even degenerated in the political, intellectual, and democratic senses.

Majority Party Was a Must

[Tudjen] I am asking you this in relation to all parliamentary conflicts that you would be excluded from as a neutral arbitrator.

[Tudjman] It would definitely be much simpler for me to be just the president of the republic instead of also the president of a party. That would simplify my involvement and even the strongest opponents of the HDZ and Tudjman as president would realize that, as head of state, I enjoy the confidence of the people and do not need the additional support of any party. However, from the viewpoint of judgment, without such a majority party and its program, I could not make those decisions that I make as head of state, which produced such results. We have established Croatia in spite of many factors in the world that operated against it. We defended it and won not only international recognition for Croatia but also allies and friends: from the most powerful world force, the United States, to an equally powerful force at the other end of the world, China; we have good relations with Russia, especially in the field of economics, friendly relations with the Arab countries, as well as an alliance with the European Community.

It was possible to achieve all this because I could rely on the majority party at the time of danger and peril, when decisions about most vital problems had to be made without hesitation.

One-Sided Approaches

[Tudjen] Has the recent turmoil affected the HDZ, and is it now weaker or stronger? People say that the left wing leaving the party upset the balance and that you, as a politician of the center, now depend upon the right wing, which makes your job as a man of the center more difficult.

[Tudjman] These are one-sided approaches of people who thought that they could change the present course of Croatian politics and redirect it to their liking. They were wrong to expect the turncoats or deserters from the HDZ to cause a parliamentary crisis to the extent that the party would lose at least 35 deputies and thus cease to be the majority party; they were wrong to believe that some of my prominent associates from the party center would also leave. On the contrary, by 27 June, simultaneously with the

departure of Mesic and Manolic, just 83 members from all the counties had left the party and, in the past two and a half months, 1,349 people have joined the HDZ.

Consequently, all their predictions were wrong and, actually, the HDZ has become even stronger. It is still in the majority in both chambers of parliament and that majority no longer suffers from internal conflicts.

[Tudjen] But regardless of everything, are prospects good for the HDZ?

[Tudjman] Croatia needs the HDZ as the majority party, among other things also to solve acute problems, from liberating the occupied areas to implementing the agreement on federation in Bosnia-Herzegovina and confederation in Croatia, as well as to become an important factor in establishing a new international order. Statements that the HDZ has played out its role, and not only the HDZ but the Croatian president himself, as they have done all that they could in the past four years, are nothing else but blind speculation. Let me repeat, in the history of many countries, those parties, movements, or individuals that were able to meet historic challenges and fulfill certain essential historic assignments, remained at the helm of their countries for a long time, because this was a need and a necessity.

Directing All Forces

[Tudjen] During our last meeting, about a month ago, you said at one point: "You see how difficult it is to steer this Croatian ship of ours." You made the comment in reference to party and parliamentary turmoil and to different regional interests. Is it that we still do not have the necessary nation-building awareness or do we lack good intentions, that is, why do some individuals and some parties put so much emphasis on native and regional interests?

[Tudjman] I think we can say that, globally speaking, the Croatian nation has proved its political maturity. Croatian nation-building and democratic awareness has won through and it is primarily reflected in the fact that Croatia is one of the few, if not the only country of the former socialist system in which there is no danger of old communist forces regaining power. Turmoil in a party is a normal phenomenon in multiparty systems, in multiparty democracies. But certain phenomena are disturbing because people do not realize that Croatia, in spite of what has been achieved, is still in a very delicate situation and because some people do not realize that all political efforts should be directed to strengthening democracy and the sovereignty of Croatia, solving problems in transformation, and reorganizing the socialist economic system—including all its, first of all negative, but also certain positive characteristics—into the free market economy system.

No country, no people of the former socialist system has been faced with such a task or achieved such results. With regard to this, Croatia, as well as other former socialist countries, is in its infancy and it will take much

constructive effort to reach the desired results—which even today are not easily achieved in the world of free market and full democracy—as painlessly as possible.

Belgrade Understands That Croatian Areas Cannot Remain Under Occupation

[Tudjen] Do the Knin rebels care to negotiate at all and why are they stalling? What does this standstill mean for Belgrade, which obviously controls Knin, and are they perhaps all waiting to see the outcome in Bosnia?

[Tudjman] The occupation of Croatian areas is evidently linked to solving the crisis of war, that is, to finding a solution for Bosnia. It is obvious that most Serbs from Knin to Baranja are not satisfied with their bleak present and hopeless future. But it is also obvious that those who headed the rebellion in Knin from August 1990 onwards, as well as those who want to annex those areas to a greater Serbia are direct servants of greater Serbian imperialism. It is an utterly unrealistic demand and the Croats will never agree to it. With regard to that, Croatia is supported by the entire international community, which, either through statements by individual governments or through Security Council resolutions, explicitly recognized the territorial integrity of Croatia. National minorities, and the Serbs in Croatia are a minority, do not have the right to self-determination, which they demand, anywhere in the world.

If the world were to grant the right to self-determination to national minorities, no world international order would be possible, it would all depend upon the rule of force and the majority nations would resort to force and eliminate national minorities. Today, national minorities have civic and ethnic rights, but they do not have the right to self-determination. The same holds for the ethnic community of Serbs in Croatia. Having signed the agreement on opening offices in Zagreb and Belgrade, Serbia has already admitted that was necessary and in the interest of the Serbs in Croatia, of Serbia, and of the Croats in Serbia.

[Tudjen] So you still believe in the possibility of a peace accord with Serbia?

[Tudjman] I think there are quite a few indications that responsible politicians in Serbia realize it is not possible to hold on to Croatian areas. That is evident from their public statements about having to end the war and about the need for the normalization of Croat-Serb relations, but also from their agreement to establish these bureaus. Some of them, even the most responsible ones, have realized that normalization of relations on the basis of the international recognition of Croatia and Serbia is a historical necessity, and I wrote about that some 15 years ago, formulating it as an idea about the scandinavization of the Balkans.

Today, now that Croatia has gained independence, international recognition, friends and allies in the Western world, from Europe to the United Nations, now that it has definitively returned to the circle of central European countries and the Western world, to which it belonged until 1918—which means that foreigners can

only say that Croatia belongs to central and Eastern Europe and not to the Balkans—there is a historical necessity, both in terms of the interests of the Croats and Croatia and from the interests of the Serbs and Serbia, to normalize relations between Croatia and Serbia as a prerequisite for creating a new international order in this part of south-eastern Europe and the Balkans.

Leading people in Serbia are gradually becoming aware of this, for the politics of creating greater Serbia at the expense of Croatia has already had disastrous consequences; it has finally dawned on them that, if they do not relinquish the occupied areas, serious repercussions will follow such policies. It would not only further strain Croat-Serb relations and aggravate the crisis in the occupied areas, but also make things worse with regard to the international community and world organization in relation to such imperialist policies.

Surprising Outrage of Milan Djukic

[Tudjen] After your speech in Pazin, there was a strong reaction on the part of Milan Djukic, president of the SNS [Serbian National Party]. It seems that many more people will be surprised, for they lived with one truth for 45 years. The SFRY was at an end, and people were still debating whether Djoko Jovanovic was a Chetnik or a partisan. Until the day he died, Dedijer could not forgive Bakaric for persecuting him for writing that, on 17 April, 1941, Hebrang formed the independent Communist Party of Croatia, outside the Communist Party of Yugoslavia. What if this proves to be true?

[Tudjman] As a participant in the anti-fascist movement in Croatia and as a historian throughout the socialist era until 1990 in Croatia and Yugoslavia, I could not utter 60 percent of the truth based on real historical facts, on the historical reality that I felt.

Djukic's outrage is surprising. What I wanted to say in Pazin was that the essence of the anti-fascist movement in Croatia lay in the fact that it was not merely just present, but that it was stronger, in terms of timing and force, than in other former Yugoslav countries, stronger even than in Europe. Owing to petty politics, as a result of attempts to impose Serbian hegemony in former Yugoslavia, owing to the immaturity of Croatian communists who could not use their share of fighting against fascism to create the Socialist Federative Republic of Yugoslavia—anti-fascism in Croatia was given a falsified shape.

Consequently, the Day of Anti-Fascism in Croatia is not celebrated on 22 June, when 40 Croat communists led by Capo Janic left Sisak to fight against fascism and for a free Croatia. That day has the same importance as the deaths of 44 Croatian anti-fascists in Zagreb, who were scratching the walls [as published], dying for a just cause and cheering: "Long live Soviet Croatia!"

The Meaning of Croatian Anti-Fascism

Those Croatian anti-fascists who were shot in 1941 were not cheering, as I have said many times before, any kind

of Soviet Stalinesque Croatia, but a Croatia that was created through anti-fascism in the coalition in which the Soviet Union played one of the most important roles. Therefore, this was not a yearning for a kind of Stalinesque Soviet Russia, but a Soviet Croatia free from Belgrade, free from Yugoslav oppression.

The meaning of anti-fascism in Croatia, primarily for the Croatian nation, is the struggle against fascism and against the NDH [Independent State of Croatia] as it was tied to the fascist Axis forces. Some Croatian anti-fascists were communists of the Internationale, who were usually called Bolsheviks in the political jargon, and they were deprived of national characteristics, but they were in a minority. Most of them—I daresay even as many as 90 percent of Croatian communists and Croatian anti-fascists—were fighting against fascism because it was a degrading, reactionary ideology, but also to create a free democratic Croatia, a sovereign and independent country.

[Tudjen] What was the reason behind the partisan rebellion of the Serbs: anti-fascism, Ustashe repression, or could they not come to terms with Yugoslavia no longer existing?

[Tudjman] Without any doubt, even among the Serbs in Croatia, some partisans wanted to fight against fascism, but some simply rebelled against the proclamation of the NDH and because they could not get reconciled with it as a concept, regardless of what it was like. They did not only rebel in areas where the Ustashe committed crimes, for example in the area around Bjelovar, but simply because they were against the NDH and wanted to rejoin Yugoslavia. Such a movement among the Serbs was further stimulated by Chetnik preparations for the rebellion against the Germans of the Supreme Command of the former Yugoslav Army, which planned the formation of Chetnik units and the uprising.

Paradoxical Situation

However, that was less significant. The important thing is that in the Serb uprisings in Srb, which was later celebrated as the Day of the Uprising—and not only in Srb, but also in Lika and the Serbian part of Bosnia, around Drvar—some greater Serbian elements prevailed, which, if I remember well, signed the so-called Otranto Treaty with the Italians undertaking not to attack each other and to join forces in fighting against the NDH on 11 August, 1941.

Therefore, this is a paradoxical situation: the Italians and the Germans helped bring Pavelic to power and Italian fascist occupiers made an agreement with Serbian rebels in Croatia. For, ultimately, an independent Croatia was not in the interest of fascist Italy; rather, Italy wanted, in addition to Istria and Rijeka, to conquer Dalmatia as well as other Croatian parts that they occupied later on, and to find common interests with those Serbs who were against a Croatian state and favored a greater Serbia or Yugoslavia.

Even some communists who lost their way in those circumstances participated in the Otranto Treaty. But, influenced by the Croatian Central Committee, they overcame that and managed to persuade some rebel units, which became fully Chetnik in character, to join the partisans. However, some would not be influenced and, as we know, those rebel Chetniks killed Marko Oreskovic, the Croat communist, of whom the story went in Serbian areas that he was a Croat, but a mother of the Serbs.

From the outset, there were Chetnik elements in those rebel units and they fought against each other, and the murder of Marko Oreskovic is not the only example. Jakov Blazevic, as well as Croat communist who fought in Spain, Srecko Manola—and he was the one who told me this—were also in danger.

Therefore, rebel Serb forces were not only composed of anti-fascists but also of Chetnik greater Serbian elements. In the area of what is now Knin, as opposed to a large number of Serbian communists who accepted the idea of anti-fascism as led by Tito, the Croatian Central Committee, etc. (and some in Knin did that as well), during World War II mostly greater-Serbian Chetnik elements prevailed, cooperating with fascist Italy. Partisan forces were fighting against them until Knin was liberated.

The Roots of "the Log Revolution"

We must give credit to the Serbs who took part in the partisan movement of national liberation. I said that the partisan forces of Croatia were composed of over 60 percent Croats, and 28 percent Serbs, while the anti-fascist movement in general—national-liberation committees, anti-fascist organizations of youth and women—was made up of more Croats than partisan movements. Consequently, Croatian anti-fascism is a fact. Those are the roots of the "log revolution" in Knin, even of the present occupation of areas of Croatia by extreme greater-Serbian elements with the support primarily of the Yugo-communist army in those areas but also greater-Serbian elements in Belgrade.

We must realize that the essence of the matter lies in the fact that the Croats were, on one side, tied to the NDH for they thought it would be a Croatian state, but on the other hand, they fought against fascism to secure their future on the side of the democratic anti-fascist coalition.

[Tudjen] More people will be shocked to hear the other 40 percent of the truth that you could never mention.

[Tudjman] I think that I have said plenty about that in my books "Great Ideas and Small Nations," and especially in "The Vastness of Historical Reality." Naturally, I also spoke about that at the First and Second Assembly of the HDZ, and even in Pazin. But this is a very complex subject. Victims of World War II should also be discussed in scientific forums and in the daily press. The public abroad still cherishes delusions that fascism was the only movement in Croatia, and they hear false myths that 700,000 Serbs were killed in Jasenovac. And as I said before—and it was considered one of my greatest sins in former Yugoslavia—

the truth is that the total number of victims of the entire World War II was fewer than the number of Serbs that the Croats have been accused of killing in Jasenovac. This subject is worth writing about, it should be discussed, the facts should be established for every village, municipality, county, and all of Croatia.

[Box 1, p 3]

There Will Be No Changes in the Government

[Tudjen] Does the public believe the following: Tudjman, Granic, Greguric, Susak, and Valentic can win every election for they represent the interests of most Croatian citizens. What do you think about this?

[Tudjman] It is true: Valentic, Granic, Susak, Greguric, and I can win every election for we enjoy the trust of general public with regard to the reconciliation of historically divided Croatians and the Croats in the country and abroad. They also trust us on what ordinary people call Croatians, which was divided since World War II between the Domobranci and the partisans. We also enjoy the trust of the ideologically divided Croatians, the part of the public which first of all cares about the establishment of democratic Croatia, and not about ideological rifts and squabbling in the party, which only those nations which have for centuries been independent can indulge in. Nations like the Croats cannot afford to do that, as this is the first time in history that the Croats have had a democratic country, which is still not quite safe yet and could very easily be chained to some interests contrary to those of the Croatian nation and their state.

Let us not delude ourselves into believing that there are no more Croats who, because of their historical heritage and for various reasons, are sentimental about the old times.

[Tudjen] You mentioned squabbling in the party. There is an interesting phenomenon: The opposition generally negates and criticizes the politics of the HDZ, but is positive about Nikica Valentic's government. Can you comment on this?

[Tudjman] It is a result of the yellow press, as well as of the petty politics of the opposition, showing that the goal was to cause a breakdown in the HDZ. They forget that Nikica Valentic's government is the government of the ruling party and that Valentic is its vice-president as well as one of my closest associates.

[Tudjen] Speaking about Valentic, will there be any changes in the government?

[Tudjman] There will be no changes. Perhaps only some promotions for the needs of diplomacy, since one of our ministers has been promoted to a high post in the European Union. We are considering the need to found a state ministry that would be controlled by the deputy prime minister and which would deal with the general problem of development, from the reintegration of the occupied areas to demographic problems, problems of

the Bosnia-Herzegovina Federation and its confederation with the Republic of Croatia.

[Box 2, p 4]

Why I Did Not Emigrate

[Tudjen] You once said that it was important to determine whether certain events were historical turning points, like the events of 1990. That it is a matter of political talent. The lack of that talent would be like banging one's head against a wall, as was perhaps the case in 1971.

[Tudjman] There was no unified movement in 1971, nor could Croatia be achieved for objective and subjective reasons. When should one make a move in politics? This is like other things in life: One must have ability, will, and determination. After Karadjordjevo in 1971, people advised me to go abroad and work in some institute to avoid going to prison. But I predicted that the destiny of the Croats would first of all be decided here in Croatia, and that, as a man who has from his early childhood been thinking about a free and independent Croatia, I had to stay in the country.

In the field of state politics, one should bear in mind the globality of internal and external relations and events and predict the possibility of movement with regard to all forces influencing the situation.

[Box 3, p 4]

Unlimited Freedom of the Media

[Tudjen] What do you think about the freedom of the media in Croatia? There are often campaigns against the lack of freedom, but when one looks at what is written and how, we get a completely different picture.

[Tudjman] There definitely is freedom with regard to the media in Croatia. Democracy and freedom of expression are endless. With regard to this, there are some phenomena that can only be described as anarchy, and a lack of manners and responsibility. The Croatian democratic system is one of the most liberal regarding this. It has even allowed phenomena that, as I say, have nothing to do with democracy, manners, or the normal activities of all the media, and which are rarely present in other democratic and civilized countries. Of course, that is the consequence of the collapse of both the old socialist and Yugoslav system, of not only the political but also the moral stratification, which caused such deep-rooted historical and societal changes.

Even at present, some people have very little common sense, but think that they have plenty and that—regardless of the fact that historical events have proved them wrong—they can speak on the basis of that common sense and keep thinking they are right. Actually, their statements are completely unfounded, except for their delusions and illusions, or the fact that they blindly follow foreign models and sources.... They keep

criticizing everything all the time and editors sometimes give them plenty of room even when they do not deserve it and thus enable them to create confusion. So, for example, those allegedly prominent intellectuals criticize democratically elected Croatian authorities, which, in their opinion, are not qualified because they are not composed of intellectuals. Let us just look at all previous governments or Croatian diplomats or consuls. Today, both in the government, parliament, and diplomatic service, there are more intellectuals, university professors, and holders of degrees than ever before, and more than in the most democratic countries of the world. So, for instance, out of 62 Croatian diplomats and consuls, 30 have scientific degrees, and 12 out of 23 cabinet members have scientific degrees.

Therefore, this criticism always originates from those who are separated from their nation, those who call their nation a "herd" or a "crowd." Is it not significant that this criticism comes from those who did not manage to achieve their own political ambitions, because they were not supported by their nation?

Valentic Views Slovene-Croatian Relations

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[Interview with Croatian Prime Minister Nikica Valentic by Peter Potocnik and Veso Stojanov; place and date not given: "Improvement in Relations a Natural Ambition"]

[Text] *Croatian Prime Minister Nikica Valentic on the disputed issues affecting relations between Slovenia and Croatia, and Croatia's positions on how to resolve them.*

[Potocnik] After your return from the forum in Crans-Montana, where you also met with the Slovene prime minister, we could read in some Croatian newspapers that the most important issues affecting Slovene-Croatian relations were supposed to be resolved together, as a package. Do you also support that method, which may drag out the already slow elimination of the points in dispute between the two countries? We have in mind primarily the delineation of the border and the regulation of property-law relations, which are most affecting mutual relations.

[Valentic] The level of problems between Slovenia and Croatia is relatively very low, in terms of the causes governing those difficulties. The separation of a state can be compared with the separation of a marriage, in which the procedure itself as a rule is very easy, while settling property-law matters is much more difficult. Consequently, if we are aware that we were in a quite centralized joint state, at least in the fiscal sphere, and that the republic borders were not completely defined, then the unresolved issues between Slovenia and Croatia should not affect the outlook.

As far as the border is concerned, more than 80 percent of it is not in dispute at all. According to assessments by our experts and surveyors and yours, it will be possible to

determine that another 10-15 percent is not in dispute. Consequently, of the approximately 600-kilometer-long land border, at most 5-10 percent will be questionable. That means that I do not see any major difficulties in that area.

The regulation of property relationships should be the most complicated, primarily because of the inherited relations between the two states and the former Yugoslav state. Both Croatia and Slovenia guarantee legal and physical property on their territory, and I do not see any difficulties there, since if a state wants to be a European one, it has to respect property. The problem, and it truly is a big one, arose because of the Ljubljanska Banka debt. It amounts to a billion German marks [DM], which is not a small amount of money, and furthermore 100,000 depositors are putting strong pressure on the government to protect their interests.

[Potocnik] We have heard that you have prepared a proposal on how to resolve the disputed debts of Ljubljanska Banka's Zagreb branch?

[Valentic] The Ljubljanska Banka problem objectively arose because of the previous system, and a solution cannot be found overnight. We have told our depositors that just as they cannot obtain money immediately from old foreign exchange deposits in Croatian banks, they cannot get it from Ljubljanska Banka either. We offered to let all Ljubljanska Banka's depositors transfer their money to Croatian banks. Croatia then transferred that part of the bank debt to its public debt. That is approximately half of the amount, about DM 450 million. The other half is left as Ljubljanska Banka's obligation to depositors from Croatia. The Croatian state will not interfere in that part, which has to do with the relationship between Ljubljanska Banka and Croatian depositors, because that is their business. We offered to let the depositors move to Croatian banks, but some of them did not accept that, and consequently we think that that part of the debt has been resolved, at least as far as Croatia is concerned. Whether Ljubljanska Banka pays that part of the money or not is its business.

We have proposed that half of the part that Croatia assumed as public debt wait for the succession. Although we can talk separately about the technical and legal aspects of this issue, any serious legal opinion would be in our favor. For example, if you deposit money in UBS [Union of Swiss Banks], it does not interest you where that bank will invest the money. Consequently, no financial and legal expert will tell you that it is a matter for the succession. Nevertheless, from the political standpoint, it is probably acceptable. If I were a Slovene I would also claim that the money was invested in Croatian enterprises. The balance-sheets are clear, however. The fact is that that problem arose in previous times, and consequently, in my opinion, our proposal is a proper one. Furthermore, our side is not demanding the immediate repayment of that money; instead we expect it in three or four years, even in the form of bonds and other securities. I am convinced that Slovenia does not have any chance of avoiding this, not just because the law is on the depositors' side, but also because Slovenia

is a state that is introducing high standards and has made more progress than anyone in introducing democratic market principles; consequently, it cannot behave that way toward that debt. We think that Ljubljana could accept that proposal, since we cannot offer anything more. We have already had difficulties with our domestic public over this. People and financial experts are telling us that things are clear, and that it is not worth while to discuss them, especially since Ljubljanska Banka will continue to service the depositors who have stayed with it.

[Potocnik] What about the status of Slovene property in Croatia?

[Valentic] The Ljubljanska Banka problem is also associated with that. We adopted a government decree on prohibiting use of the property of foreign owners, which was exclusively aimed against Serbian and Montenegrin enterprises, since Serbia was the aggressor in Croatia. We could not adopt the decree for just one country, however. Now it is completely superfluous for us, since it is hurting us more than Slovenia. The government will do everything in its power to withdraw it, since turnover and commerce are being reduced because of it. The public is putting pressure on us, however, and if we do not settle the issue of Ljubljanska Banka's status, we cannot settle the property issue. Certainly there is no direct connection between these two things, but politics can do that. I myself support the revocation of the above-mentioned decree, and I am in favor of the full right of legal and physical persons to make use of their property. I hope that the Slovene side will not stand so firmly behind its position that Ljubljanska Banka's entire debt to the Croatian depositors will go into the succession. Let us be realistic, though; neither Slovenia nor Croatia will get anything from the succession. That means that the Croatian state would have to include that billion marks in its public debt. In my opinion a billion marks is not worth that much of a dispute between two states that have historical ties and which will sooner or later become good economic partners again. A compromise is therefore necessary.

[Potocnik] The third biggest problem in intergovernmental relations is the Piran Bay. At the beginning of July, when you visit Ljubljana, will you also bring with you a proposal for solving that problem?

[Valentic] Well, in my opinion the issue of the Piran Bay is the sole and biggest problem. All the other problems are easier to solve, from Ljubljanska Banka and the status of property to Krsko, which I do not even consider to be a problem. It would be best if the electric power plant had not been built at all. It is known that the Krsko nuclear power plant was built with a 50:50 ratio, 50:50 financing, and that it is a joint one. Look, electricity from Krsko costs us 4 cents a kilowatt. We would also pay that much if we imported electricity from Slovenia. Consequently, with respect to Krsko we are proceeding from the principle that obligations should equal rights. Now the issue of a storage site for nuclear wastes is also arising, and thus a struggle for greater ownership rights is very questionable. Some people in Slovenia are advocating that it should have a 70 percent ownership share. Perhaps some fine day we will say, "All

right, you will be 100 percent owners." In my opinion Krsko is being used solely as an instrument in the struggle over relations.

As I have already mentioned, the issue of the Piran Bay is the main and biggest problem in mutual relations. From the legal standpoint, things are quite clear. We have employed a number of domestic and foreign legal experts on international maritime law, and almost all of them confirmed our position. If we look at it from a political standpoint, it is very clear to us what the Piran Bay means to Slovenia, and we also understand some people who say, "Croatia has a coast 3,000-4,000 kilometers long, so why is it creating problems right here?" It is a matter of principle for us, however. If it is legally determined that it is part of the Croatian sea, then the question, which would also arise for you if you were in a similar position, is who has the right to give up part of our territory. If it were to turn out in international arbitration that it is Slovene, then there would not be any difficulties. We do not want anyone else's territory. But put yourself in our position. If part of the Bay, in the opinion of all the experts on international maritime law, is indisputably part of Croatian territorial waters, then by what right can we give it up?

[Potocnik] Then you are inclined toward international arbitration for the Piran Bay problem?

[Valentic] It would be bad if we decided on international arbitration, since that could put both countries in a bad light abroad, primarily because the position of Croatia and Slovenia is not the best, especially since a very definite problem would be brought up in some third country. Both Slovenia and Croatia are in the same position on that issue. If they were to quarrel seriously with each other over the Piran Bay and demand international arbitration, someone else would exploit that for his own benefit. That is why I am appealing for calm talks, without extremes. Look, we deliberately did not politicize the issue of Sveta Gera, which is Croatian according to all the land-registry maps and records, and is being kept by Slovenia for negotiating leverage.

The border near Secovlje and Plovanja is not in dispute either. Regardless of how the demarcation at sea ends up, the land part is not in dispute at all. With the exception of the radical ideas and demands of some extremists—who are not lacking in our country either, by the way, and envision our eastern border near Zemun—that the border should follow the Mirna or somewhere else, and if we concentrate solely on the demands of Croatia and Slovenia, which are within the limits of realistic politics, then the case of Plovanja is not in dispute at all. We built minimal sections of road, and we also informed Ljubljana that in seven days we would lay new asphalt, and nothing more. Of course, it was then exploited for politicization in public.

[Potocnik] The Croatian state commission on borders claims that possible Slovene sovereignty over the entire Piran Bay does not settle Slovene access to the open sea,

but that is precisely one of the main disputes that will have to be honestly resolved sooner or later.

[Valentic] Of course, Croatia is really prepared to allow Slovenia access to the open sea and to have an appropriate legal solution found for this. Although in politics one usually speaks in empty phrases, you can believe me when I say that we in the Croatian state leadership are seeking an appropriate solution for the Piran Bay, because we are aware that it is affecting neighborly relations. The public in Slovenia, however, is often misled by too ambitious goals, which cannot be achieved. I ask you—should Croatia give up Ljubljanska Banka's debts, part of the ownership of the Krsko nuclear power plant, and part of the Piran Bay, where we are offering arbitration to determine precisely which part belongs to whom? Consequently, should we release without any objections whatsoever all the Slovene property, which also includes cultivated land? For example, let me cite Istria, where there are more than 5,000 plots, which citizens of Slovenia are using as construction land, but the law makes it clear that it will be necessary to destroy those cuckoo's nests, which probably arose because their owners hoped that they would thus extort construction permits. We are tolerant toward them only so that we would not be wrongly accused of making Croatian-Slovene relations worse. Consequently, the question arises of what Croatia actually did to aggravate neighborly relations. It is true that our state is at war, but it is strong enough politically and economically to bear that burden. Any competition over who among us is or should be economically more powerful is beyond common sense, and furthermore there is also a limit to dignity and pride, which cannot be crossed at any cost.

[Potocnik] Consequently, no one at all on the Croatian side instigated disputes between Ljubljana and Zagreb?

[Valentic] I am not claiming that, since in our country as well you will find without any particular effort hotheads who present unrealistic demands and goals. I am talking, however, about the political and state leadership, i.e., about Croatia, which in my opinion did something that it can be criticized for by housing refugees from Bosnia in Slovene vacation homes in Pineta. The government decree on prohibiting the use of the property of foreign owners, which was adopted in wartime, was actually aimed against the Serbian and Montenegrin owners of vacation homes, cottages, and other real estate in Croatia, and at the same time also constitutes a sort of counterweight to Ljubljanska Banka, which, however, cannot be made consistent with European standards. I think that those are the only problematic cases. Furthermore, one cannot overlook the fact that about 300,000 refugees from Bosnia-Herzegovina are still guests in Croatia; new ones are still arriving every day; and the big question is how you would react if we sent that great multitude west, to Slovenia and other countries. Believe me—we will rebuild Pineta as a whole, and compensate the owners for all the damage that has occurred, including the loss from operation of the vacation homes.

With respect to Ljubljanska Banka and the Piran Bay, and the borders, however, we are prepared to go before international arbitration, which also would be extremely bad because of your and our relations with other neighboring countries. In the final analysis, others expect or even hope that they would then be able to point to us, saying "How should our neighbors join Europe when they are still not even capable of resolving their mutual disputes?" In the world as it is today, even worse connotations are possible. It is also because of those that it is extremely important to talk rationally about all the unresolved issues, since if passions and an unhealthy competition over who will put more pressure on his neighbor begin to prevail in our relations, that does not bode well for us. I have always tried with all my strength and abilities to suppress all the attempts that some people have made to create and encourage an anti-Slovene attitude among our public, since I am also aware that it costs too much to put out such fires.

[Potocnik] But we were surprised last year by a sort of "privatization" of the Union Brewery in Buzet, and that case also brings up other unresolved issues regarding Slovene property in Croatia.

[Valentic] The case of the Buzet brewery is actually the result of certain pressures from Istrians, because they did not want to listen to us when we told them that they should wait for the conclusion of an intergovernmental agreement on regulating property-law relations. Those matters are not as simple as people often say and write. We have to deal with Slovene property, which is not open to question by any means, if it arose through the purchase of a specific area and buildings, but what is questionable is the installations that resulted from the merger of the former basic organizations of associated labor into complex organizations of associated labor, regarding which a commission has to determine precisely the real owner or the shares of several owners, i.e., who contributed how much to the property and what the next step should be: through a joint enterprise, a fair purchase of the Slovene owner's share, or something else. I am convinced that the objective analysis that is being prepared will be able to answer these questions.

[Potocnik] The unregulated property-law relations, however, which have been highlighted by the prominent example of the Buzet brewery, are seriously affecting economic relations, which are noticeably stagnating.

[Valentic] We have to deal with considerable prejudices on both sides of the border. For instance, if some Austrian enterprise invests capital in Slovenia or Croatia, then it is something normal, but if Slovenia invests in Croatia or Croatia invests in Slovenia, many people may oppose it. It really does not matter to me what kind of capital comes to our country, unless it is dirty, of course. It seems to me that Ljubljanska Banka's officials will also have headaches if the bank renounces our depositors, i.e., our market. Since it is impossible to conduct trade and other economic affairs without banks, Croatia will soon enter the Slovene market with its own

bank or banks. I would say that it is our natural ambition not only to repair but also to improve bilateral economic relations, even in comparison with the most fruitful years before the war. The closure of both markets will only lead to economic stagnation in the long term. For example, let us take the case of the Rijeka oil refinery and the area it serves, which also includes the Slovene market, although it is now being supplied with oil derivatives through other channels. That is also renewing ambitions for energy self-sufficiency, which would be Slovenia's biggest mistake, since after all it has the energy sources that it needs at hand. I agree, however, that a businesslike attitude has to prevail regarding the competitive prices of our sources.

[Potocnik] The fact is that without the introduction of European criteria, it will no longer be possible to resume the negotiating process between Zagreb and Ljubljana. What are the reasons why matters have not progressed at all for almost a year?

[Valentic] I think that the principal reason does not lie in politics, which we can at most criticize for too little involvement in getting things moving. It is impossible, however, to expect that all the problems can be solved today; we cannot expect spectacular results. The fundamental thing in this regard is to have good will on both sides and a willingness to follow the European standards and principles that you mentioned in your question in order to have coexistence and cooperation along with mutual respect begin to prevail, on the basis of equality, justice, and mutual benefit. That is the only way that one can expect concrete progress in our relations. It is not any tragedy if we will be able to solve all the problems in one or two years; what is important is for there to be fewer unresolved difficulties every day. We are aware that Ljubljanska Banka's debt to its depositors in Croatia is objectively a big problem that cannot be eliminated through a brief process, just like the definition of the sea border in the Piran Bay, but all the other things can be settled easily. For our part, the government will do everything possible to accelerate the technical procedures and to take Slovenia's proposals and demands into account as much as possible. It should be considered in this regard, however, that on both sides of the border we have a certain stratum of the political public that can be forced to relax the tension if we consistently adhere to the agreed-upon rules of the game on both sides.

[Potocnik] Since Croatia's political leadership is making more and more vocal promises again about liberating the occupied areas, a question also arises regarding the firmness of your stabilization program, and finally, also the regulation of Croatian-Slovene relations.

[Valentic] It is true that our main problem is the occupation of part of Croatia. With a complete state we would not have 90 percent of the present problems. Not a day goes by without pressures against our government from displaced persons to make it possible for them to go back to their homes. We will do everything possible to

achieve a political solution to the Croatian-Serbian dispute through intensified diplomatic activity. In my opinion, at this time there is still an 80 percent chance for a peaceful settlement of Croatia's fundamental problem.

[Potocnik] And in that case your annual inflation will not be higher than 12 percent?

[Valentic] Of course, if there is no war, it will be lower in any case, between 7 and 10 percent during the next three or four years. In the last six months average wages have increased from DM200-450, and foreign exchange reserves from \$500 million to \$2 billion; after the end of the tourist season they will probably grow to \$2.5 billion. We are also seeing favorable results in exports, we have a surplus in the balance of payments....

[Potocnik] But the statistical data show a decline in exports.

[Valentic] Because of the prevention of fictitious exports to Bosnia-Herzegovina, actually smuggling, which was 35 percent of our exports, the statistics showed a decline in exports. The nature of those transactions is also indicated by the fact that five or six enterprises that reported more than \$100 million in exports last year cannot be found in the registry of exporters today. They conducted the purchase and sale of cigarettes, for example, in Croatia with export papers confirmed in Bosnia-Herzegovina. After the supervision of payment transactions was tightened up in the Croatian market, we doubled budget revenues, from DM2.7-6 billion this year. We expect that this year's social product will be 4-5 percent higher.

[Potocnik] Do those balances also include the Ljubljanska Banka debt?

[Valentic] The total public debt of Croatian banks was about DM5 billion, so far we have reduced it to DM3 billion, and that also includes the part that belongs to Ljubljanska Banka. Clearly we cannot repay that debt to our depositors just like that. According to our program, we will reduce the total old foreign exchange savings to zero in a year and a half.

I am talking to you as a lawyer and not as a politician. When Croatia ends the war, the kind of border that we are now imagining will not exist any longer. Let us be realistic—the cultural border, between civilizations, was actually drawn by the former borders of Austria-Hungary. In spite of the war, we have allocated DM400 million for the restoration of damaged telecommunications equipment, we are building modern roads to Rijeka, Macelj, and Sentilj and a large number of local bypass roads, we are bringing in natural gas in Slavonija and Zagorje, and Zagreb is being rebuilt in such a way that we could really live in peace. It would be hard to find a country that would have 15 and 20 percent of its population displaced, suffer the kind of blows that we have, and at the same time not have any of its citizens

suffer from hunger. It is true that our life is not wonderful, but no one is starving, they all have a roof over their heads, and the average family with two employees earns about DM1,000....

[Potocnik] As much as your pay?

[Valentic] Yes, with all the supplements.

OHSP, SNS Break Assembly Boycott 94P2096A

[Editorial Report] On 23 June representatives of Croatia's parliamentary opposition parties held another fruitless meeting with the ruling Croatian Democratic Union (UDZ) on how to resolve a long-simmering dispute over the replacement of the presidents of the two houses of the parliament (Sabor). The conflict had led to an opposition walk-out from parliament in May. Immediately before the meeting, however, three deputies of the Croatian Party of Rights (HSP) decided to desert the opposition's walk-out and return to the Assembly session, where they were joined, after the meeting, by Serbian National Party (SNS) representatives (VJESNIK, 24 June).

As described by VJESNIK, the HDZ deputies greeted the arrival of the HSP leaders with applause because, with the HSP representatives in attendance, the Chamber of Deputies was assured a quorum. Explaining the decision to return to the parliament, Boris Kandare, one of the HSP leaders, stated that the HSP was neutral regarding the struggle within the HDZ. Since the disagreements about the leading posts in the assemblies led the opposition to boycott the sessions, the HSP tried to broker an agreement among the parties. Noticing no opening for a compromise between the HDZ and the opposition parties, Kandare continued, the HSP decided to break ranks with the opposition and form a third bloc to unite all sides in search of a solution. In this spirit, the HSP returned to the Sabor because it concluded that the "crisis could be solved only in the Croatian parliament." VJESNIK also reported a statement made by another HSP leader, Ante Prkacin, that the HSP returned to the Sabor because it "came to work," adding that the HSP decision should not be understood as an act of submission to the HDZ or an acknowledgment that the HDZ is right in the dispute on the distribution of key positions in the parliament.

According to VJESNIK, other opposition parties declined to say anything about the return of the HSP and SNS to the Sabor. Ivica Racan, leader of the Social Democratic Party (SDP) and a representative of the

opposition bloc, said he did not want to comment on the HSP decision, emphasizing that the opposition parties are united in their "struggle to strengthen the Croatian parliamentary system" and in their "respect for the parliament and democratic institutions," despite the differences in the political goals and programs.

In the same issue of VJESNIK, Andrea Latinovic examined the "real" background of the HSP's "official" return to the parliament despite the frequent insistence previously by Anto Djapic, HSP leader, that the HSP would not return and would only maintain an observer status in the chamber. Djapic reportedly explained in an interview that the HSP returned to the parliament "first and foremost for the good of Croatia," not aiming to deceive the opposition but rather helping it by opening the road of return to some other opposition parties that "plan to follow the HSP soon" such as the SDP, the Croatian Peasants' Party (HSS), and the Croatian National Party (HNS). Djapic also claimed that the "entire" party membership demanded that HSP leadership return to the parliament.

Latinovic raised questions about whether Djapic had made a deal with the ruling party and what he might have gotten from the HDZ for "undermining" the opposition bloc, asking whether the return of its deputies to the Sabor confirmed previous accusations that the HSP is just an "extended hand" of the HDZ. She considered it more important, however, to see whether the opposition bloc would start to unravel and which parties would emulate the HSP.

The 24 June VJESNIK also reported that Milos Petrovic, an independent Serbian deputy, and the representatives of the SNS also attended the afternoon Assembly session. Milan Djukic, SNS leader and vice president of the Chamber of Representatives, explained why his party had boycotted the previous sessions, maintaining that he came back to the Sabor to express his party's wish to "contribute to the development of democracy and the parliamentary system." Although an agreement had still not been reached between the opposition and the HDZ, Djukic said that the time had come for the SNS to defend "its principles" in the parliament. Latinovic had reported in the 21-22 June issue of VJESNIK that the SNS would return to the parliament only if the issue of the Serbs' status in Croatia were put on the Sabor agenda. At the same time, Djukic assured reporters that although the SNS did not agree with some opposition parties regarding the "Serbian issue," it would not "undermine" the opposition.

Census Deadline Expected To Be Prolonged Again*AU107113494 Skopje MILS-NEWS in English 11 Jul 94*

[Unattributed report: "Census '94"]

[Text] According to the latest announcement by the State Statistics Institute by July 9, 1994 inclusive, the census included 1,683,922 citizens, 423,114 households, 441,778 apartments and 152,259 farms in the Republic of Macedonia [The Former Yugoslav Republic of Macedonia—FYROM]. Despite the extended deadline, the census is not over yet in Makedonski Brod, Struga, Gostivar, Debar, and Tetovo. Another prolonging of the deadline is to be expected.

Government, Industrialists View State of Economy*AU0807150994 Skopje NOVA MAKEDONIJA in Macedonian 8 Jul 94 pp 1,4*

[Report by V. Cvetkovska: "100,000 Workers Without Pay"]

[Text] The government, the trade unions, and the Chamber of Commerce, the three partners in the state's social dialogue, have unanimously agreed that the present social conditions in the economy and for the workers is alarming. Production is falling, companies are making no profits, while over 100,000 workers are not being regularly paid, and thus do not have any social security. A minimum wage has not yet been defined, which is causing additional problems. All this and the increasing numbers of bankruptcies can lead to great social tensions.

That was the conclusion of a meeting of the three partners yesterday. The meeting was attended by Zivko Tolevski, president of the Trade Unions of Macedonia [The Former Yugoslav Republic of Macedonia—FYROM], the presidents of trade union branches, Prime Minister Branko Crvenkovski, ministers Sofija Todorova and Petrus Stefanov, Minister Coordinator Bekir Zuta, President of the Chamber of Commerce Dusan Petreski, Vice President Dose Kotevski, and Secretary of the Chamber Ljupco Kovcegarski.

Half of the Economy in Liquidation

Yesterday's discussion, initiated by the Confederation of Trade Unions and the presidency, concluded that the position of the workers in the state is being complicated because of irregular payments and social security.

At the beginning of the discussions Trade Union President Zivko Tolevski said that the situation in production is very bad. "We need urgent measures to solve the problem of 100,000 workers who have not been paid for a month or two, and a further 34,000 workers who have not received their salaries for three or four months. Urgent measures are needed if we want to avoid strikes and demonstrations in front of parliament and government buildings. The problems are difficult and we know

that we cannot find any ideal solution, but that does not mean that we should give up," Tolevski said. Vice President Tome Georgievski raised the question of courts and the lack of cooperation with the Ministry for Labor and Social Policy. Tomislav Velkovski (president of the Agrarian Trade Union) illustrated the situation with an example of companies whose workers have been paid on a daily basis for two years and because of this do not have any social security. Alekso Kiproviski raised the case of 25,000 metal workers who have not been paid for between two and five months, although we claim to be a state of order and social security. Another problem is that no minimum salary has been defined yet, and in fact the taxes that are paid are much higher than the real salaries. Moreover, Kiproviski raised the question of the criteria by which companies are being liquidated, and he mentioned that the present criteria imply that half the companies will go into liquidation.

Prime Minister Branko Crvenkovski said that the government is not the only one committed to carrying out the stabilization program, but it is an obligation on all the other entities in the state. He emphasized the efforts initiated by the government for creating stable conditions in the economy, better labor conditions, stable salaries, and control over inflation and taxes. "Unemployment cannot be solved without investment," Crvenkovski stressed, "but, since we are in a period of non-investment, we depend on foreign assistance, and in order to get it, we must repay our old debts. Before the stabilization program we had salaries rising artificially without being covered by production, money was being borrowed from banks at high interest rates to pay for these salaries, and as a result we now have a great number of companies facing bankruptcy because they are unable to repay their overdrafts.

"The minimum wage has been defined for private businesses, and (65 percent) of taxes will be paid, although we know that private businessmen are still paying lower salaries. That has negative effects on state companies, too. Another inconvenience is that we want to maintain a stable exchange rate and low inflation, which affects exports. In addition, we have suffered a loss of \$200 million because of the four months of blockade by Greece. However, we must clearly establish the reason for the fall in production, whether it is due to the blockade, the lack of money in circulation, or simply poor structure and organization in the companies, in order to see what can be done. We must forget about printing more money and must agree on measures that will not trigger inflation," Crvenkovski said.

Dusan Petrevski, president of the Chamber of Commerce, said that he still could not see the results that the stabilization program was supposed to have produced. "Economic problems are not in the focus of the discussions and that is why we have appealed to parliament and the parties to reach a consensus and solve the economic difficulties as soon as possible." Moreover, he said that the stabilization program was not being implemented in market conditions, and that the denar's

exchange rate did not take account of inflation, which generated difficulties for exports. Five of the major exports companies are losing 5 to 30 percent of their revenue because of this. Petrevski said that we were assisting the developed countries because, being a high risk country, we must pay for goods immediately, while they pay us on a delayed basis. He claimed that public consumption was increasing and that we were all to be blamed for the problems with salaries because we had not reached an agreement in due time.

Minister Sofija Todorova emphasized that the economy must be assisted with fresh money because losses are seven times greater than profits, and the situation cannot be improved by making limitations. She also said that those who are not repaying loans from the banks should not be given credits, and that salaries to those working without profit should be either paid from the budget, for which additional taxation should be agreed, and therefore the public should be asked for its approval, or the companies should be liquidated, after which social programs would follow.

Borders Not on Agenda as Drnovsek Meets Valentic

AU0807150694 Ljubljana Radio Slovenia Network in Slovene 1330 GMT 8 Jul 94

[Text] Croatian Prime Minister Nikica Valentic and his assistants are paying a one-day official visit to Slovenia today. The Croatian Government delegation arrived in Slovenia at the invitation of Prime Minister Janez Drnovsek. The talks are taking place in Brdo near Kranj. This evening, Nikica Valentic will also be received by President of the Republic Milan Kucan. Nadja Pengov reports:

[Begin Pengov recording] The host of the meeting, Dr. Janez Drnovsek, received the guests from Croatia with military honors, which means that Slovenia ascribes state importance to the meeting and expects much from it. In addition to the prime ministers of both countries, the delegations also comprise the ministers of some government departments and these met for separate working talks this morning. Nikica Valentic and Janez Drnovsek held talks, too. Separate talks were followed by a plenary meeting of the members of both delegations.

The Slovene-Croatian government talks at the highest level are also being attended by the two foreign ministers, Granic and Peterle, Finance Ministers Jasic and Gaspari, Economics Ministers Vidosevic and Tajnikar,

and Croatian Justice Minister Crnic and Slovene Minister Without Portfolio Lojze Janko.

The Slovene prime minister in his greeting speech told the guests that today's talks demonstrated that there is goodwill on both sides to resolve some of the issues that are burdening relations between the states and that their resolution will require a lot of goodwill and expertise. He stressed that today's meeting should resolve as many controversial issues as possible. If not all of them are resolved, however, then this should be accomplished in a new round of talks that should take place as soon as possible. Drnovsek said that three groups of issues will be discussed today—property matters, debts of the Ljubljanska Banka, and the Krsko nuclear power station. He did not mention borders.

Dr. Nikica Valentic in his address said that the delegations will tackle all the controversial issues and warned that the governments of both countries would do their utmost to stop what he called irresponsible individuals, because the damage that they cause is often greater than the problems.

We will learn about the results of today's talks in approximately half an hour, when a news conference is scheduled to take place. Let me say that Croatian Prime Minister Valentic will also be received by President Milan Kucan in the presidential palace in Ljubljana late this afternoon. On that occasion they will both issue special statements for the public. [end recording]

Federal

Kontic: National Currency Maintaining Stability

LD0807193494 Belgrade TANJUG in English 1823
GMT 8 Jul 94

[Text] Belgrade, July 8 (TANJUG)—Yugoslav Prime Minister Radoje Kontic said on Friday that the national currency, the dinar, was preserving its stability amid favourable trends in manufacturing industries and agriculture.

Kontic told newsmen in Belgrade that the rising overall production was helping the stability of the dinar despite what he called sporadic black marketeering 'as an expected and passing phenomenon in a blocked economy.'

On January 24, Yugoslavia implemented a programme of overhauling the monetary system and reinvigorating the economy on the basis of the new dinar pegged to the German mark on a one-to-one par of exchange.

The programme eliminated a record-high hyperinflation running at about one million per cent monthly last December. It also prevented the collapse of industrial production under the rigorous United Nations sanctions that blocked the economy altogether.

The national Bank of Yugoslavia (NBJ) and the government allowed commercial banks to sell 100 German Marks for dinars to individuals, said Kontic.

He said that the hard currency reserves of the NBJ were growing. In its transactions with individuals, the NBJ has a favourable balance of more than 300 million German Marks.

Kontic said that retail prices on average rose by about 0.5 percentage point in the period between January 24, when the economic programme was implemented, and June 30. These prices in Yugoslavia are now most stable in all Europe, said he.

Retail prices of commodities since January 24 have gone down by 14.1 per cent, while service charges have risen 65.2 per cent, said Kontic.

Farm produce in the beginning had 50 per cent higher prices, but in June they began to fall off.

In the past five months, the prices of industrial foodstuffs decreased 29.7 per cent, those of beverages 42.6 per cent, other than food 10.8 per cent, while the prices of tobacco remained unchanged.

Kontic said that the government began to cope also with the problem of improving the liquidity of the banks. For this purpose, he said, commodity stocks might also be added to the commercial banks' foreign-currency funds and gold.

Energy Producers Seek Assistance From State

LD0807150994 Belgrade TANJUG in English 1349
GMT 8 Jul 94

[Text] Belgrade, July 8 (TANJUG)—Producers of oil, natural gas and coal in the Federal Republic of Yugoslavia have called the state to intervene urgently to avert the danger of an energy breakdown in the coming cold season.

Out of the 5.5 million tonnes of oil which Yugoslavia needs for normal annual consumption, one-fifth will be produced this year from the domestic fields in the northern Serbian province of Vojvodina.

The international economic sanctions introduced against Yugoslavia in May 1992 have prevented the import of oil, so that the consumption of liquid fuel per capita in Yugoslavia has been reduced to 104 liters annually, while in some developed countries it amounts even up to 2,000 liters.

'Yugoslavia could produce almost 1.5 million tonnes of oil and 0.8 million cubic meters of natural gas, but this would require more funds and a detailed strategy for further prospecting and excavation,' TANJUG was told by the manager of the Vojvodina-based Nafagas company, Srdoljub Stankovic.

Stankovic also underlined the importance of the newly-discovered oil deposits in the Adriatic seabed in the Yugoslav Republic of Montenegro, but said that their exploitation could not be expected before the beginning of the next century.

In July, most of the crude oil supplies in Serbia will be ceded to the farmers for harvest work, shows the government's plan on the production and consumption of power and fuel.

Coal producers warned last week that the production of coal, especially in pitmines, had been jeopardized due to low prices, outdated technology and excessive railway transport charges.

Heating with coal in households currently costs three and a half times more than heating with electric power. Despite this fact, the price cannot cover the costs of exploitation and transport.

Unless funds are provided both for the current production and the long-term development of mining, all the eight coal mines in Serbia would face the danger of being closed down very soon, the producers said.

Lilic Receives Head of Romanian Court

AU0907185494 Bucharest Radio Romania Network in Romanian 1700 GMT 9 Jul 94

[Text] Yesterday Zoran Lilic, the president of the Federal Republic of Yugoslavia, received a delegation of Romania's Constitutional Court headed by its chairman, Professor Dr. Vasile Gionea, reports Belgrade Radio.

On that occasion FRY President Zoran Lilic thanked the Romanian people for the understanding they are displaying in relation to the crisis on the territory of former Yugoslavia. Our close neighbors, as well as our Yugoslav peoples, which are all suffering losses owing to the sanctions, have to be more closely listened to by international community. Regarding the Balkans and the problems of that region the decision ought to lie with the Balkan peoples, said the FRY president.

The Romanian delegation was also received by Radoje Kontic, Yugoslavia's federal prime minister, who presented to the guests the genesis of the crisis on the territory of former Yugoslavia and emphasized the significance of constitutional courts in the development of democracy in the transition countries.

One of the opinions both parties shared was the one stating that there are no legal and moral reasons for the sanctions imposed by the international community against the FRY to be maintained any longer.

JAT To Resume Flights if Sanctions Eased

*LD0807161094 Belgrade TANJUG in English 1552
GMT 8 Jul 94*

[Text] Belgrade, July 8 (TANJUG)—The Yugoslav JAT airline is all set to re-introduce its international flights as soon as the United Nations sanctions against Yugoslavia are eased. This was what JAT General Manager Zika Petrovic told TANJUG on Friday with reference to the easing of sanctions in case the peace plan for Bosnia was accepted by the warring sides. Petrovic said that the sanctions first of all suspended air traffic and it was logical that their lifting should begin with the re-opening of this traffic.

In Yugoslavia, international flights were suspended June 1, 1992.

Petrovic added that JAT was ready to re-open connections with European capitals. At present, travellers from Yugoslavia use airports at Budapest and Timisoara. Petrovic expected the reactivation of inter-government agreements to precede the re-opening of JAT international flights.

Serbia

Milosevic Holds Talks With Serbian Leaders

LD0807180194 Belgrade TANJUG Domestic Service in Serbo-Croatian 1727 GMT 8 Jul 94

[Text] Belgrade, 8 Jul (TANJUG)—Slobodan Milosevic, president of the Republic of Serbia, met in Belgrade today with Montenegrin President Momir Bulatovic, with Milan Martic and Borislav Mikelic, president and prime minister of the republic of Serb Krajina [RSK], and with Nikola Koljevic, deputy president of the Bosnian Serb republic.

No official statements were issued in Belgrade after these talks. NTV reported this evening, citing sources in the RSK, that the talks between Martic, Mikelic, and Milosevic centered on the promotion of economic cooperation and "integrational processes between the economies of Serbia and Krajina," as well as the peace process in the region of former Yugoslavia.

According to Politika Television, Koljevic failed to comment on the contents of the talks, saying only that "these were consultations."

Party Leader Urges Bosnian Serbs To Accept Plan

*LD1007211194 Belgrade TANJUG in English 2100
GMT 10 Jul 94*

[Text] Belgrade, July 10 (TANJUG)—Serbia's New Democracy Party Leader Dusan Mihajlovic said Sunday that the latest international plan for Bosnia should be accepted. Mihajlovic, whose party is a coalition partner of the ruling Socialist Party of Serbia, said that the plan, devised by a five-nation Contact Group for Bosnia, "is the last chance for a peaceful settlement of the war in that former Yugoslav republic (Bosnia-Herzegovina)."

"The Bosnian Serbs cannot attain a single one of their national and state interests any more by the war option," said Mihajlovic and added that he hoped they "will make the right decision, which is peace—the biggest victory that can be won for the Serb people at this time."

Serbia's opposition Democratic Party Leader Zoran Djindjic said Sunday in an interview with the local radio in Jagodina, central Serbia, that the Bosnian Serbs should make political concessions.

"A continuation of the war is no solution, nor is victory a reason for dictate," he said. He explained that "this is the time for compromise and the Bosnian Serbs should agree to make even political concessions in order to improve the quality of their territory."

"When I say this, I am thinking of their joining the community of independent state entities inside Bosnia-Herzegovina, a kind of alliance with the Moslem-Croat federation," he specified. He added that the "(Bosnian) Serbs are not in straits, they are in a better military and negotiating position...which the international community, too, must respect."

The international community should be made to realise that "by blackmailing Belgrade it cannot put pressure on the Bosnian Serbs, because Belgrade cannot decide the future of the people living there (in Bosnia) or take important decisions in their name," said Djindjic.

Slovenia Accused of Product Dumping

94BA0325A Ljubljana DELO in Slovene 9 Jun 94 p 51

[Article by Slobodan Dukic: "Fear the Clever Slovenes, Even When They Bear Gifts"]

[Text] *Iskra's electrical meters have caused fear among Serbian producers of those products; humanitarian assistance, or an attack against the Yugoslav economy?*

From our associate.

Belgrade, 8 Jun—The Serbian electronics industry is demanding that the state prevent imports of cheap Slovene electronics, which will destroy the factories here. In Nis, which is also the center of Serbia's electronics industry, one can hear that Iskra's electrical meters were bought with Serbian wheat.

Recently, the public here has been more and more concerned about the danger that there will be a new technological colonization of Serbia by Slovenia. Warnings are being given by both the news media, and citizens, primarily businessmen. They are all warning, one after another, that "Slovenes do not sleep and that they will take advantage of the slightest opportunity to take over the Yugoslav market again." The latest such warning has come from Nis. In fact, a serious uproar occurred here after a certain private merchant announced that by importing Iskra's electrical meters he would shut down the local electrical meter factory, which is part of Nis's Elektronska Industrija. Then Slovene electrical meters really did appear in individual areas in Serbia, including Nis, and that was at the same time cause for alarm.

According to today's POLITIKA, Jovan Ilic, that factory's commercial director, has already stated that the state has to prevent the sale of Iskra's electrical meters, which are even cheaper in Serbia than in Slovenia. At the same time, the Slovene electrical meters appeared on the Serbian market precisely at a time when the above-mentioned Serbian factory had equipped itself to produce them. In addition to the above-mentioned private merchant, the list of suspect importers also includes several Kosovo Albanians. People in Nis claim that that is one more proof that Slovenia misses the Serbian market and that in this way, Slovene industry is trying to secure the leading role in the Yugoslav market again.

It would probably be difficult to determine what led Serbian customers to buy Iskra's products wholesale, since the local merchants and the producers at EI Nis claim that their electrical meters are cheaper, and at the same time of world quality. One electrical meter costs 190 German marks. If Iskra's are somewhat more expensive, then we could conclude that the customers decided on them because they are of even higher quality. Obviously producers in Serbia are frightened to death when they see goods marked "Made in Slovenia" in some display window. Then journalists come into the forefront, exaggerating the whole affair, just as Belgrade's POLITIKA EKSPRES recently asked in a panic "whether the Slovenes were buying the Serbs again."

At one time the state radio here reported that Slovene spies were roaming around Yugoslavia, but now the newspapers are saying that a Slovene lobby is even operating in Belgrade. Its headquarters is in Belgrade,

but it is not known where, exactly, those Slovenes are supposedly meeting. For the time being, those who buy Slovene goods are suspect. Thus, a few days ago a certain person who had in his bag a whole pile of packets of Thomy mayonnaise, which is produced by Ljubljana's Kolinska, was stopped. A reporter stopped him and asked him whether "he knew that that meant a lack of patriotic feelings, and an excess of cholesterol." The man did not allow himself to be embarrassed, and calmly replied that "one cannot forget old loves."

[Box, p 51]

While some residents of Serbia are making jokes at the expense of the paranoid public, today's POLITIKA says that the Slovenes are offering the electrical meters as humanitarian aid, but it is obvious that Ljubljana is trying to finish off the Serbian economy with steps that at first glance may be attractive and represent assistance in a difficult situation. Consequently, fear the Slovenes, even if they offer humanitarian aid.

Montenegro

Djukanovic on FRY Interest in 'Speedy' Peace

LD1007191894 Belgrade TANJUG in English 1910
GMT 10 Jul 94

[Text] Belgrade, July 10 (TANJUG)—Montenegrin Prime Minister Milo Djukanovic said Sunday Bosnia-Herzegovina was closer to peace than a continuation of war.

In an interview with the local radio station in Kragujevac, central Serbia, Djukanovic said he felt encouraged by the remarkable determination of the international community to bring peace to Bosnia and by a dampened war ardour of the Bosnian warring sides.

Russian Foreign Minister Andrey Kozyrev's statement that the Serb interests are adequately well protected by the plan for dividing Bosnia drawn up by a five-nation 'Contact Group' is of great importance to Yugoslavia (Serbia/Montenegro), said Djukanovic.

However, it is illusory to expect the belligerents to be able to make any corrections in the plan within the two weeks they have been given for accepting or rejecting it, he said.

'We, Yugoslavia, shall strongly support a quality peace, which must reflect the interests of all three (Bosnian warring) sides,' he said. He described the persistence in sanctions against Yugoslavia as the world's inability to admit its obvious mistakes, although nobody any more speaks of Yugoslavia's aggression on Bosnia.

The sanctions were imposed by the United Nations in late May 1992 for Yugoslavia's alleged involvement in civil war raging among Bosnia's Moslems, Serbs and Croats. Djukanovic said Yugoslavia was very much

interested in speedy peace because life under sanctions was becoming unbearable for the people.

Lekic Comments on Contact Group's Proposal

LD0807144194 Belgrade TANJUG Domestic Service in Serbo-Croatian 1249 GMT 8 Jul 94

[Text] Podgorica, 8 Jul (TANJUG)—It is impossible to take any definite stand on the latest peace plan prepared by the Contact Group, as it does not contain a very important complex of issues relating to constitutional solutions. This is the joint conclusion reached in talks today between Montenegrin Foreign Minister Miodrag Lekic and Italian charge d'affaires accredited in Belgrade Laura Mirachian.

As the Montenegrin Ministry of Foreign Affairs said in a statement, both sides deemed as positive the fact that the peace plan was not put forward in the form of an ultimatum, which opens up the possibility of improving its quality and working jointly on it.

Minister Lekic and diplomat Mirachian pointed to the importance of the G7 summit in Naples, expressing expectations that it will give a positive impetus to the peace process which will result in a negotiated and just settlement of the Yugoslav crisis.

The statement goes on to say that Mrs. Mirachian confirmed that the Italian Government is increasingly assuming an active role in peace negotiations on Yugoslavia, which is best illustrated by the Italian foreign minister's recent visit to Belgrade.

The Italian charge d'affaires in Belgrade was also received by Montenegrin Prime Minister Milo Djukanovic who said that "it would be good at the time of lifting the sanctions if Italy were to ask for priority to be given to the release of Montenegrin ships and the restoration of the Bar-Bari ferry-line."

Kosovo

Funds for Illegal Kosovo State Run Low

LD1107092294 Belgrade TANJUG in English 0841 GMT 11 Jul 94

[Text] Pristina, July 11 (TANJUG)—Representatives of political organizations of the Albanian minority in the Yugoslav Province of Kosovo and Metohija were increasingly frequently complaining they were receiving from their fellow ethnic Albanians fewer and fewer funds for the needs of the illegal state of Kosovo.

BUJKU, an Albanian-language paper, said in the first three months of this year the ethnic Albanians, who are the most numerous population in the province, collected 1.611 million German marks and assessed this was 'beneath the realistic level of Albanian enterprises and citizens.'

A strong separatist movement of ethnic Albanians has been very active for a number of decades in Kosovo. Their political leaders want to secede the province from Yugoslavia and Serbia and join it to the neighboring Albania. To these ends were created in 1991 parallel, illegal organs of authority in the province, and the Albanian population was requested to boycott the central Yugoslav authorities.

Among the forms of civil disobedience, which the separatist movement has imposed on the local Albanian population, was also refusal to pay taxes to the Yugoslav state.

Proceeding from the fact that the Albanians owned at least 10,000 enterprises, BUJKU calculated that each one of them has on the average been giving a mere 8 German marks per month, something the paper thinks was absurd.

BUJKU, thought to be the informal mouthpiece of the leading Albanian party in the province—the Democratic League of Kosovo (DSK) and its leader Ibrahim Rugova, has of late increasingly frequently published names of owners of private enterprises and shops who fail to pay 'tax dues', and always praised any example of 'patriotic' generosity.

The poor 'harvest of taxes' especially reflected on the situation in the Albanian illegal schooling, which, for want of recognition of the Republic of Serbia and attempts to use the existence of parallel schooling to prove Kosovo's 'statehood', was being funded from this alternative source.

Albanian teachers, for instance, received a monthly pay of a mere 40 German marks, which caused them to thin out launching a process with pronounced anarchy in the Albanian illegal schooling system.

The Yugoslav state guaranteed the ethnic Albanians in the province the right to education—from primary to university level—in their own - Albanian - language, but denied them the possibility within the regular schooling system for classes to be carried out under the programs and textbooks of another state, in this case Albania. For this reason, the separatists have organized an illegal schooling system.

Ethnic Albanians were also required to give money for the so-called fund of the government of the republic of Kosovo, mostly among the many Albanians working abroad. They were thus forced to pay twice as much. At home, Rugova's 'central committee' awaits for them, while abroad men of 'prime minister' of the illegal government Bujar Bukoshi loomed over them.

This division among the leading people in the separatist movement, as well as among who were in charge of collecting money for the 'national cause', has also reflected on the political groups, primarily within the DSK as well as between Rugova and Bukoshi themselves. (sentence as received)

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